

REGULAR MEETING OF THE CITY COUNCIL  
OF THE CITY OF SAN ANTONIO HELD IN  
THE COUNCIL CHAMBER, CITY HALL, ON  
THURSDAY, AUGUST 19, 1976.

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The meeting was called to order at 8:30 A. M., by the presiding officer, Mayor Lila Cockrell, with the following members present: BILLA, CISNEROS, BLACK, HARTMAN, ROHDE, TENIENTE, NIELSEN, COCKRELL; Absent: PYNDUS.

76-38 The invocation was given by The Reverend Courtney Hammond, East End Church of God in Christ.

76-38 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

76-38 Consideration of the minutes of the meeting of August 12, 1976 was postponed one week.

76-38 ZONING HEARINGS

1. CASE 6587 - to rezone Lot 22, Block 2, NCB 12910, in the 5100 Block of Rigsby Avenue, from "F" Local Retail District to "B-3" Business District, located south of E. Rigsby Avenue between Hollyhill Drive and S. E. Loop 410 Expressway, having 213.38' on E. Rigsby Avenue, 120' on Hollyhill Drive and 92.72' on S. E. Loop 410 Expressway.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. Nielsen made a motion that the recommendation of the Zoning Commission be approved. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,062

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS LOT 22, BLOCK 2,  
NCB 12910, IN THE 5100 BLOCK OF RIGSBY  
AVENUE, FROM "F" LOCAL RETAIL DISTRICT  
TO "B-3" BUSINESS DISTRICT.

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2. CASE 6577 - to rezone Lot 1, Block 1, NCB 15589, 6807 S. W. Military Drive, from Temporary "R-1" Single Family Residential District to "B-3" Business District, located southwest of the intersection of S. W. Military Drive and Rockgate Drive, having 200' on Rockgate Drive and 170' on S. W. Military Drive.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

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No one spoke in opposition.

After consideration, Mr. Rohde made a motion that the recommendation of the Zoning Commission be approved, provided that proper platting is accomplished. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,063

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS LOT 1, BLOCK 1,  
NCB 15589, 6807 S. W. MILITARY DRIVE,  
FROM TEMPORARY "R-1" SINGLE FAMILY  
RESIDENTIAL DISTRICT TO "B-3" BUSINESS  
DISTRICT, PROVIDED THAT PROPER PLATTING  
IS ACCOMPLISHED.

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3. CASE 6567 - to rezone Tract B, NCB 12179, 2636 Austin Highway, from "A" Single Family Residential District to "B-3" Business District, located between Austin Highway and Walzem Road, being 172.25' east of the intersection of Austin Highway and Walzem Road, having 202.75' on both Austin Highway and Walzem Road and a maximum distance of 286.38' between these two roads.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. Nielsen made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,064

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS TRACT B, NCB 12179,  
2636 AUSTIN HIGHWAY, FROM "A" SINGLE  
FAMILY RESIDENTIAL DISTRICT TO "B-3"  
BUSINESS DISTRICT, PROVIDED THAT PROPER  
REPLATTING IS ACCOMPLISHED.

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4. CASE 6437 - to rezone Lot 477, NCB 11434, 3731 Culebra Road, from "A" Single Family Residential District to "B-3" Business District, located on the northwest side of Culebra Road being 100.48' southeast of the intersection of Roanoke Avenue and Culebra Road, having 50.24' on Culebra Road and a maximum depth of 170.60'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that a six foot solid screen fence is erected and maintained along the north property line. Dr. Nielsen seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,065

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 477, NCB 11434, 3731 CULEBRA ROAD, FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED AND MAINTAINED ALONG THE NORTH PROPERTY LINE.

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76-38 Mayor Cockrell was obliged to leave the meeting and Mayor Pro-Tem Nielsen presided.

5. CASE 6579 - to rezone Lots 15 and 16, Block 35, NCB 11475, 4107 Culebra Road, from "A" Single Family Residential District to "B-3" Business District, located northwest of the intersection of Benrus Blvd. and Culebra Road, having 100' on Culebra Road and 153' on Benrus Blvd.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Dr. Cisneros seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Pyndus, Cockrell.

AN ORDINANCE 47,066

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 15 AND 16, BLOCK 35, NCB 11475, 4107 CULEBRA ROAD, FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

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6. CASE 6557 - to rezone a 7.643 acre tract of land out of NCB 14572, being further described by field notes filed in the office of the City Clerk, 13500 Block of Nacogdoches Road, from "B-1" and "B-2" Business Districts to "R-3" Multiple Family Residential District, located 425' southeast of Nacogdoches Road and 330' northeast of La Posita, having a total length of 2862.52' and a maximum depth of 193'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Mr. Rohde seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Pyndus, Cockrell.

AN ORDINANCE 47,067

AMENDING CHAPTER 42 OF THE CITY CODE  
 THAT CONSTITUTES THE COMPREHENSIVE  
 ZONING ORDINANCE OF THE CITY OF SAN  
 ANTONIO BY CHANGING THE CLASSIFICATION  
 AND REZONING OF CERTAIN PROPERTY  
 DESCRIBED HEREIN AS A 7.643 ACRE TRACT  
 OF LAND OUT OF NCB 14572, BEING FURTHER  
 DESCRIBED BY FIELD NOTES FILED IN THE  
 OFFICE OF THE CITY CLERK, 13500 BLOCK  
 OF NACOGDOCHES ROAD, FROM "B-1" AND "B-2"  
 BUSINESS DISTRICTS TO "R-3" MULTIPLE  
 FAMILY RESIDENTIAL DISTRICT, PROVIDED  
 THAT PROPER REPLATTING IS ACCOMPLISHED.

\* \* \* \*

7. CASE 6575 - to rezone Lots 1 and 2, Block 4, NCB 7238, 1302 Basse Road, from "B-1" Business District to "B-2" Business District, located southwest of the intersection of Basse Road and Beacon Avenue, having 100' on Basse Road and 130' on Beacon Avenue.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished and that a six foot solid screen fence is erected and maintained along the south property line. Mr. Hartman seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Pyndus, Cockrell.

AN ORDINANCE 47,068

AMENDING CHAPTER 42 OF THE CITY CODE  
 THAT CONSTITUTES THE COMPREHENSIVE  
 ZONING ORDINANCE OF THE CITY OF SAN  
 ANTONIO BY CHANGING THE CLASSIFICATION  
 AND REZONING OF CERTAIN PROPERTY  
 DESCRIBED HEREIN AS LOTS 1 AND 2,  
 BLOCK 4, NCB 7238, 1302 BASSE ROAD,  
 FROM "B-1" BUSINESS DISTRICT TO "B-2"  
 BUSINESS DISTRICT, PROVIDED THAT  
 PROPER REPLATTING IS ACCOMPLISHED  
 AND THAT A SIX FOOT SOLID SCREEN FENCE  
 IS ERECTED AND MAINTAINED ALONG THE  
 SOUTH PROPERTY LINE.

\* \* \* \*

8. CASE 6553 - to rezone Lots 1 and 41, Block 9, NCB 12599, 4502 Creekmoor Drive, 4503 Hershey Drive, from "A" Single Family Residential District and "D" Apartment District to "B-1" Business District, located on the east side of South W. W. White Road between Creekmoor Drive and Hershey Drive, having a frontage of 80' on both Creekmoor Drive and Hershey Drive with a total frontage of 240.70' on South W. W. White Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished, and that a six foot solid screen fence is erected and maintained along the east property line. Dr. Cisneros seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Pyndus, Cockrell.

AN ORDINANCE 47,069

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS LOTS 1 AND 41,  
BLOCK 9, NCB 12599, 4502 CREEKMOOR  
DRIVE, 4503 HERSHEY DRIVE, FROM "A"  
SINGLE FAMILY RESIDENTIAL DISTRICT  
AND "D" APARTMENT DISTRICT TO "B-1"  
BUSINESS DISTRICT, PROVIDED THAT PROPER  
REPLATTING IS ACCOMPLISHED AND THAT A  
SIX FOOT SOLID SCREEN FENCE IS ERECTED  
AND MAINTAINED ALONG THE EAST PROPERTY  
LINE.

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9. CASE 6586 - to rezone Lots 137 and 138, NCB 11997, 6400 Block of W. Commerce Street, from "A" Single Family Residential District to "B-2" Business District, located northeast of the intersection of W. Commerce Street and Parham Avenue, having 100' on W. Commerce Street and 115.72' on Parham Avenue.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Dr. Cisneros seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Pyndus, Cockrell.

AN ORDINANCE 47,070

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY

DESCRIBED HEREIN AS LOTS 137 AND 138, NCB 11997, 6400 BLOCK OF W. COMMERCE STREET, FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

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76-38 Mayor Cockrell returned to the meeting and presided.

10. CASE 6569 - to rezone a 2.42 acre tract of land out of NCB 13375, being further described by field notes filed in the office of the City Clerk, 2400 Block of Jackson Keller Road, from "B-3" Business District to "I-1" Light Industry District, located on the northeast side of Jackson Keller Road, being 378' northwest of the intersection of Jackson-Keller Road and the R.O.W. of the Southern Pacific Railroad, having 486.05' on Jackson-Keller Road and a maximum depth of 362.38'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Rohde made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Mr. Hartman seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,071

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 2.42 ACRE TRACT OF LAND OUT OF NCB 13375, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 2400 BLOCK OF JACKSON-KELLER ROAD, FROM "B-3" BUSINESS DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

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11. CASE 6343 - to rezone a 4.167 acre tract of land out of NCB 16565, being further described by field notes filed in the office of the City Clerk, 11100 Block of Highway 90 East, from Temporary "R-1" Single Family Residential District to "B-3" Business District, located north of the cutback between Graytown Road and I. H. 10 Expressway, having 333.43' on Graytown Road, 308.02' on I. H. 10 Expressway and 151.61' on the cutback between Graytown Road and I. H. 10 Expressway.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

In response to Mayor Cockrell's question, Mr. Camargo stated that the staff had recommended denial of the original request for "I-2" but has no objection to the "B-3" zoning that is now being requested.

No one spoke in opposition.

After consideration, Dr. Cisneros made a motion that the recommendation of the Zoning Commission be approved, provided that proper platting is accomplished. Dr. Nielsen seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,072

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 4.167 ACRE TRACT OF LAND OUT OF NCB 16565, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 11100 BLOCK OF HIGHWAY 90 EAST, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED.

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12. CASE 6564 - to rezone a 2.370 acre tract of land out of NCB 14551, and a 2.287 acre tract of land out of NCB 14552, being further described by field notes filed in the office of the City Clerk, 10900 and 11000 Block of Palo Alto Road, from Temporary "R-1" Single Family Residential District to "B-3" Business District; a 1.558 acre tract of land out of NCB 14551, and a 3.603 acre tract of land out of NCB 14552, being further described by field notes filed in the office of the City Clerk, from Temporary "R-1" Single Family Residential District to "B-2" Business District; and a 4.544 acre tract of land out of NCB 14552, being further described by field notes filed in the office of the City Clerk, from Temporary "R-1" Single Family Residential District to "B-1" Business District.

"B-3"

The 2.370 acre tract of land is located 199.92' northeast of the intersection of Palo Alto Road and Kingsridge Blvd., having 330' on Palo Alto Road and a depth of 304.59'. The 2.287 acre tract of land is located 200' southwest of the intersection of Palo Alto Road and Kingsridge Blvd., having 330' on Palo Alto Road and a depth of 301.87'.

"B-2"

The 1.558 acre tract of land is located 529.92' northeast of the intersection of Palo Alto Road and Kingsridge Blvd., having 224.80' on Palo Alto Road and a depth of 301.87'. The 3.603 acre tract of land is located 530' southwest of the intersection of Palo Alto Road and Kingsridge Blvd., having 520' on Palo Alto Road and a depth of 301.87'.

"B-1"

The 4.544 acre tract of land is located 1,050' southwest of the intersection of Palo Alto Road and Kingsridge Blvd., having 666.98' on Palo Alto Road and a depth of 300.03'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that proper platting is accomplished. Dr. Cisneros seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,073

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 2.370 ACRE TRACT OF LAND OUT OF NCB 14551, AND A 2.287 ACRE TRACT OF LAND OUT OF NCB 14552, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT; A 1.558 ACRE TRACT OF LAND OUT OF NCB 14551, AND A 3.603 ACRE TRACT OF LAND OUT OF NCB 14552, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT; AND A 4.544 ACRE TRACT OF LAND OUT OF NCB 14552, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-1" BUSINESS DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED.

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13. CASE 6568 - to rezone the east 70' of Lot 8, NCB 11155, 100 Block of Petaluma Blvd., from "D" Apartment District to "B-1" Business District; and the west 68' of the east 138' of Lot 8, NCB 11155, 100 Block of Petaluma Blvd., from "D" Apartment District to "B-3" Business District.

The "B-1" zoning is located on the south side of Petaluma Blvd., being 688' east of the intersection of Pleasanton Road and Petaluma Blvd., having 70' on Petaluma Blvd. and a depth of 287'.

The "B-3" zoning is located on the south side of Petaluma Blve., being 620' east of the intersection of Pleasanton Road and Petaluma Blvd., having 68' on Pleasanton Road and a depth of 287'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

Mr. Teniente commented that a zoning case was considered about a month ago on Pleasanton Road requesting a similar zoning change which was denied based on preservation of the residential area. He supported the other case and will support this case also, but he felt this was compassionate zoning.

After consideration, Dr. Nielsen made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Mr. Rohde seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman.

AN ORDINANCE 47,074

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY

DESCRIBED HEREIN AS THE EAST 70' OF LOT 8,  
NCB 11155, 100 BLOCK OF PETALUMA BLVD.,  
FROM "D" APARTMENT DISTRICT TO "B-1"  
BUSINESS DISTRICT, AND THE WEST 68' OF THE  
EAST 138' OF LOT 8, NCB 11155, 100 BLOCK  
OF PETALUMA BLVD., FROM "D" APARTMENT  
DISTRICT TO "B-3" BUSINESS DISTRICT, PRO-  
VIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

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76-38

MR. BOB BLASE

Mayor Cockrell welcomed Mr. Bob Blase, Executive Director of Goodwill Industries Incorporated, to the meeting.

14. CASE 6555 - to rezone Lot 17, NCB 8644, 1434 Bitters Road, from "F" Local Retail District and "B-3" Business District, to "I-1" Light Industry District, located on the southwest side of Bitters Road being 246.35' southeast of the cutback between Jones Maltsberger Road and Bitters Road, having 145.06' on Bitters Road and a depth of 300.30'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. Nielsen made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman.

AN ORDINANCE 47,075

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS LOT 17, NCB 8644,  
1434 BITTERS ROAD, FROM "F" LOCAL RETAIL  
DISTRICT AND "B-3" BUSINESS DISTRICT  
TO "I-1" LIGHT INDUSTRY DISTRICT, PRO-  
VIDED THAT PROPER REPLATTING IS ACCOM-  
PLISHED.

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15. CASE 6576 - to rezone Lot 2, Block 2, NCB 10920, 8930 S. Presa Street, from "B" Two Family Residential District to "B-3" Business District, located between Old Corpus Christi Road and S. Presa Street, being approximately 1100' southeast of the intersection of S. Presa Street and Graf Road, having 50' on Old Corpus Christi Road, 350' on S. Presa Street and a maximum distance of 540' between these two roads.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. Nielsen made a motion that the recommendation of the Zoning Commission be approved. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman.

## AN ORDINANCE 47,076

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 2, BLOCK 2, NCB 10920, 8930 S. PRESA STREET, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT.

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16. CASE 6580 - to rezone Lots 10, 11, and 12, Block 25, NCB 10100, 2000 Block of E. Southcross Blvd., 500 Block of Kathy Drive, from "D" Apartment District to "O-1" Office District; and Lots 7, 8, and 9, Block 25, NCB 10100, 2000 Block of E. Southcross Blvd., 500 Block of Kathy Drive, from "D" Apartment District to "B-2" Business District.

The "O-1" zoning is located on the east side of Imogene Drive between Kathy Drive and E. Southcross Blvd., having 120' on Imogene Drive and approximately 169' on both Kathy Drive and E. Southcross Blvd.

The "B-2" zoning is located 169' east of Imogene Drive between Kathy Drive and E. Southcross Blvd., having 161' on both Kathy Drive and E. Southcross Blvd. with a maximum length of 120.93'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Rohde made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished, that a six foot solid screen fence is erected and maintained along the north property line, and that a non-access easement is imposed along Kathy Drive. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman; ABSTAIN: Nielsen.

## AN ORDINANCE 47,077

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 10, 11, AND 12, BLOCK 25, NCB 10100, 2000 BLOCK OF E. SOUTHCROSS BLVD., 500 BLOCK OF KATHY DRIVE, FROM "D" APARTMENT DISTRICT TO "O-1" OFFICE DISTRICT; AND LOTS 7, 8, AND 9, BLOCK 25, NCB 10100, 2000 BLOCK OF E. SOUTHCROSS BLVD., 500 BLOCK OF KATHY DRIVE, FROM "D" APARTMENT DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED, THAT A SIX FOOT SOLID SCREEN FENCE IS ERRECTED AND MAINTAINED ALONG THE NORTH PROPERTY LINE, AND THAT A NON-ACCESS EASEMENT IS IMPOSED ALONG KATHY DRIVE.

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17. Case 6445 was withdrawn from consideration at the request of the applicant.

18. CASE 6585 - to rezone Lots 18 thru 21, Block 7, NCB 12914, in the 2600 Block of S. E. Loop 410 Expressway, from "A" Single Family Residential District to "B-2" Business District,.

Lots 18 thru 21 are located on the west side of S. E. Loop 410 Expressway, being 180' north of the intersection of Finis Avenue and S. E. Loop 410, having approximately 240' on S. E. Loop 410 Expressway and a maximum depth of 140'.

Lot 24 is located northwest of the intersection of Finis Avenue and S. E. Loop 410 Expressway having 140' on Finis Avenue and 60' on S. E. Loop 410 Expressway.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

In response to Mayor Cockrell's question, Mr. Camargo stated that the staff had recommended denial of the request because they feel the commercial zoning in the area should be centered around the major intersection of Rigsby and Loop 410 and not be allowed to strip along the one-way access road of Loop 410.

Mayor Cockrell stated that, although she understands the staff's general philosophy on it, in this case there presently exists "B-2" zoning in the vicinity and it would be hard to justify denial of this request.

After consideration, Mr. Rohde made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Dr. Nielsen seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman.

AN ORDINANCE 47,078

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS LOTS 18 THRU 21,  
AND 24, BLOCK 7, NCB 12914, IN THE  
2600 BLOCK OF S. E. LOOP 410 EXPRESSWAY,  
FROM "A" SINGLE FAMILY RESIDENTIAL DIS-  
TRICT TO "B-2" BUSINESS DISTRICT, PROVIDED  
THAT PROPER REPLATTING IS ACCOMPLISHED.

\* \* \* \*

19. CASE 6562 - to rezone Lot 12, Block 51, NCB 2745, 1601 - 1607 Fulton Avenue, from "B" Two Family Residential District to "B-1" Business District, located west of the intersection of Fulton Avenue and Beal Street, having 120' on Fulton Avenue and 50' on Beal Street.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

Mr. Oscar J. Sanchez, the applicant, stated that he would like the requested change in zoning to operate a photography studio on the subject property. He wants to remodel the existing structure so that he may reside on the property also. He also described the present businesses in the area. He has a cooperative parking agreement with the adjacent flower shop owner and if necessary, will build two more parking areas.

No citizen appeared to speak in opposition.

Mr. Teniente stated he is familiar with the area and read the recommendations of the Traffic and Transportation Department. Mr. Teniente stated that there should be adequate off-street parking because the traffic is already very heavy in the area.

In response to Mr. Billa's question, Mr. Camargo stated that the existing businesses in the area have non-conforming rights.

After consideration, Mr. Billa made a motion to overrule the recommendation of the Zoning Commission and deny the request for rezoning. Mr. Rohde seconded the motion. On roll call, the motion carried by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman.

The rezoning was denied.

20. CASE 6578 - to rezone the south 50' of Lots 22 and 23, Block 31, NCB 8114, 619 Cupples Road, from "F" Local Retail District to "I-1" Light Industry District, located on the west side of Cupples Road being 201.1' south of the intersection of Ceralvo Street and Cupples Road, having 50' on Cupples Road and a depth of 239.2'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Teniente made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Mr. Rohde seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman.

AN ORDINANCE 47,079

AMENDING CHAPTER 42 OF THE CITY CODE  
 THAT CONSTITUTES THE COMPREHENSIVE  
 ZONING ORDINANCE OF THE CITY OF SAN  
 ANTONIO BY CHANGING THE CLASSIFICATION  
 AND REZONING OF CERTAIN PROPERTY  
 DESCRIBED HEREIN AS THE SOUTH 50' OF  
 LOTS 22 AND 23, BLOCK 31, NCB 8114,  
 619 CUPPLES ROAD, FROM "F" LOCAL RETAIL  
 DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT,  
 PROVIDED THAT PROPER REPLATTING IS ACCOM-  
 PLISHED.

\* \* \* \*

21. CASE 6458 - to rezone the east 120' of the north 210' of Lot 81-B, NCB 11525, 2600 Block of N. W. 36th Street, from "A" Single Family Residential District to "B-2" Business District, located on the northeast side of N. W. 36th Street, being 130' northwest of the intersection of W. Cheryl Drive and N. W. 36th Street, having 250' on N. W. 36th Street and a maximum depth of 222.47'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

In response to Mayor Cockrell's question, Mr. Camargo stated that the staff had recommended denial of the request because the property in question is located between two business nodes, one being to the south at the intersection of Woodlawn Avenue and N. W. 36th Street, and the other being to the north at Quill Drive and N. W. 36th Street. The business zoning at the intersection of Quill Drive and 36th Street also extends north along 36th Street to Bandera Road, a major commercial node. The surrounding development is residential in character and in the staff's opinion, the granting of business zoning in the midst of a residential area is not appropriate at this location.

Mr. Robert Ross, the applicant, stated that he would like the requested change in zone to construct and operate a convenience store on the subject property. The lot in question has 249' on 36th Street and has no other ingress or egress except through 36th Street. Mr. Ross then described the area in detail. He stated that a convenience store on this site will be beneficial to the neighborhood.

No one spoke in opposition.

Mr. Teniente stated that he would support staff on this case because there is already a convenience store within walking distance, and expressed concern over the traffic situation.

In response to Mayor Cockrell's question, as to what other type of development could the property be used for, Mr. Camargo stated that it could probably accommodate a small duplex.

Mr. Ross commented that when a thoroughfare is opened up, there must be some consideration to the fact that the nature of the area will change. In this particular case there are 200 units of housing for the elderly and half a mile to walk is a long walk for these people. Mr. Ross stated that the use of this land for a convenience store would be very beneficial to these people.

After consideration, Mr. Rohde made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished. Dr. Nielsen seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman; ABSTAIN: Teniente.

#### AN ORDINANCE 47,080

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS THE EAST 120' OF  
THE NORTH 210' OF LOT 81-B, NCB 11525,  
2600 BLOCK OF N. W. 36TH STREET, FROM  
"A" SINGLE FAMILY RESIDENTIAL DISTRICT  
TO "B-2" BUSINESS DISTRICT, PROVIDED  
THAT PROPER REPLATTING IS ACCOMPLISHED.

\* \* \* \*

22. CASE 6574 - to rezone Lot 9 and the west 10' of Lot 8 and the east 15' of Lot 10, Block 1, NCB 9850, 3825 S. W. Military Drive, from "B" Two Family Residential District to "B-3" Business District, located on the north side of S. W. Military Drive being 235' east of the intersection of Carmel Avenue and S. W. Military Drive, having 75' on S. W. Military Drive and a depth of 134.06'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

Mr. Dwane Singleton, representing the applicant, stated he would like the requested change in zoning to establish and operate a hardware store on the subject property.

Mr. C. A. Kelly, 3819 S. W. Military Drive said he lives next door to the subject property and spoke in opposition to the "B-3" zoning. He mentioned that he would not be in opposition to a "B-2" reclassification.

Mr. Singleton said that he desires the "B-3" classification because he wanted to put in a lumberyard later on.

The Council advised Mr. Singleton that a hardware store is permitted in a "B-2" classification, but a lumberyard would require a "I-1" classification.

After consideration, Mr. Billa made a motion to approve "B-2" zoning, provided that a six foot solid screen fence is erected and maintained along the north property line. Mr. Teniente seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman.

AN ORDINANCE 47,081

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS LOT 9 AND THE WEST  
10' OF LOT 8 AND THE EAST 15' OF LOT  
10, BLOCK 1, NCB 9850, 3825 S. W.  
MILITARY DRIVE, FROM "B" TWO FAMILY  
RESIDENTIAL DISTRICT TO "B-3" BUSINESS  
DISTRICT, PROVIDED THAT A SIX FOOT SOLID  
SCREEN FENCE IS ERECTED AND MAINTAINED  
ALONG THE NORTH PROPERTY LINE.

\* \* \* \*

23. CASE 6589 - to rezone Lot 6, save and except the north 170', Block 1, NCB 7185, 245 Sherwood Drive, from "A" Single Family Residential District to "O-1" Office District; and the north 170' of Lot 6, Block 1, NCB 7185, from "A" Single Family Residential District to "B-2" Business District.

The "O-1" zoning is located on the north side of Sherwood Drive approximately 630' east of Vance Jackson Road, having 102' on Sherwood Drive and depth of 108'.

The "B-2" zoning is located on the south side of I. H. 10 Expressway approximately 630' east of Vance Jackson Road, having 103.3' on I. H. 10 Expressway and a depth of 170'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

Mr. Dick Roberts of Kittrell, Inc., Realtors, said that he represented the applicant who wished to have an insurance appraisal of office facing the frontage road of I. H. 10. The area adjacent to Sherwood Drive was requested to be rezoned "O-1" but with a non-access easement on Sherwood Drive. He described the area and the surrounding commercial zoning.

Mr. Camargo said that the staff had recommended against this business zoning as this would encroach on this single family residential area. The Zoning Commission had recommended approval of "B-2" zoning on the north 170' of the property but that the remainder of the property remain in its present classification.

The following persons spoke in opposition to the proposed change:

Mr. John O'Connell  
Mr. Robert L. DalGLISH  
Mrs. Arthur Ford

They described the very nice residential neighborhood which is divided into one acre tracts. The residences on Sherwood have back yards facing the frontage road. They said that they could live with the present zoning but any additional business zoning would have a domino effect and destroy the neighborhood. They urged the Council to deny the request.

Mr. Rohde moved that this case be returned to the Zoning Commission for further study to be included in a study of this entire neighborhood with a request that the Commission make a recommendation to the City Council covering the entire neighborhood. The motion was seconded by Dr. Nielsen but on the following roll call vote, failed to carry: AYES: Rohde, Teniente, Nielsen; NAYS: Billa, Cisneros, Black, Hartman, Cockrell; ABSENT: Pyndus.

Mr. Roberts again addressed the Council urging that his request be favorably considered. He said that this is the highest and best use for the property.

After consideration, Mr. Billa moved that the recommendation of the Zoning Commission be overruled and the rezoning denied. The motion was seconded by Dr. Cisneros.

Mr. Roberts then asked that his case be withdrawn from consideration.

In answer to Mayor Cockrell's question, Assistant City Attorney Tom Finlay said that the Council could vote on the matter or could comply with Mr. Roberts' request.

Mr. Billa called for the question and on the following roll call vote, the motion to deny the rezoning carried by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

The rezoning was denied.

24. CASE 6541 - to rezone a 12.567 acre tract of land out of NCB 15676, being further described by field notes filed in the office of the City Clerk, 16175 Jones Maltsberger Road, from Temporary "R-1" ERZD Single Family Residential District to "P-1(R-1)" ERZD Planned Unit Development Single Family Residential District, located northwest of the intersection of Scattered Oaks and Jones Maltsberger Road, having 898' on Scattered Oaks and 631' on Jones Maltsberger Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. Nielsen made a motion that the recommendation of the Zoning Commission be approved, provided that proper platting is accomplished in accordance with the PUD ordinance. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Hartman; ABSTAIN: Cisneros.

## AN ORDINANCE 47,082

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 12.567 ACRE TRACT OF LAND OUT OF NCB 15676, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 16175 JONES MALTSBERGER ROAD, FROM TEMPORARY "R-1" ERZD SINGLE FAMILY RESIDENTIAL DISTRICT TO "P-1(R-1)" ERZD PLANNED UNIT DEVELOPMENT SINGLE FAMILY RESIDENTIAL DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED IN ACCORDANCE WITH THE PUD ORDINANCE.

\* \* \* \*

76-38 The meeting was recessed at 10:10 A. M. and reconvened at 10:25 A. M.

25. CASE 6552 - to rezone Lots 1, 2, and 3, Block 8, NCB 7930, 1105 Ferndale Avenue, from "B" Two Family Residential District to "B-2" Business District, located southwest of the intersection of Crystal Street and Ferndale Avenue, having 93' on Crystal Street and 115' on Ferndale Avenue.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be denied by the City Council. He stated that seven affirmative votes will be necessary to overrule the recommendation of the Zoning Commission and grant the rezoning.

Mr. Sam C. Fried representing Mr. Leo Gomez, the applicant, stated that the applicant would like the requested change in zoning for the purpose of expanding the existing non-conforming grocery store in order to establish a laundromat facility. He stated that a laundromat is needed and desired by the area residents. The laundromat will be operated from 9:00 A. M. to 10:00 P. M. and will be supervised continuously. Mr. Fried asked for favorable consideration of the request.

Mrs. Ninfa Mata and Mrs. Janie Gonzales, representing COPS, spoke in opposition to the rezoning request because the Columbia Heights Planning Report of May, 1975, indicates residential zoning for this area. They asked the Council to deny the request.

Mayor Cockrell mentioned that a petition was submitted signed by 189 area residents in favor of the rezoning.

Mr. Hiram Johnson also spoke in opposition.

Mrs. Lucia Cavazos, 1147 Chalmers, spoke in favor of the proposed rezoning and said that a laundromat is needed in their area.

Mr. Fried again stated that a laundromat is needed for area residents and showed photographs of the existing grocery building. There are no plans for any other business uses.

Rev. Black mentioned the need for neighborhood conveniences and services.

In response to Dr. Nielsen's question, Mr. Camargo stated that an area land use study had been made.

After consideration, Mr. Billa made a motion to overrule the recommendation of the Zoning Commission and approve the rezoning. Mr. Teniente seconded the motion. On roll call, the motion, which required seven affirmative votes to carry, failed and the rezoning was denied by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente; NAYS: Nielsen, Cockrell; ABSENT: Pyndus.

The rezoning was denied.

26. CASE 6556 - to rezone Lot 79A, NCB 11884, 371 Sunset Road, from "B-2" Business District to "B-3" Business District, located north-east of the intersection of Teak Lane and Sunset Road, having 150' on Teak Lane and 72.6' on Sunset Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be denied by the City Council.

Dr. A. R. Rees, Jr., the applicant, asked that this case be postponed for 30 days.

Mr. Billa moved that the case be postponed. Mr. Hartman seconded the motion. On roll call, the motion carried by the following roll call vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

The case was postponed for 30 days.

76-38 The following Ordinance was read by the Clerk and explained by Mr. Carl White, Director of Finance, and after consideration, on motion of Mr. Billa, seconded by Dr. Nielsen, was passed and approved by the following vote: AYES: Billa, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Cisneros.

AN ORDINANCE 47,083

ACCEPTING THE PROPOSAL OF PEAT, MARWICK, MITCHELL & CO., CERTIFIED PUBLIC ACCOUNTANTS FOR THE DEVELOPMENT AND IMPLEMENTATION OF AN AUTOMATED PERSONNEL/PAYROLL SYSTEM FOR THE CITY FOR A COST OF \$170,000, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE FIRM AND APPROVING PAYMENT OF THE CONTRACT AND \$5,000 IN EXPENDITURES FOR SUPPLIES, PRINTING AND FORMS IN CONNECTION WITH THE PROJECT FROM FEDERAL REVENUE SHARING FUNDS.

\* \* \* \*

76-38

LIC. SALVADOR CARDENAS NAVARRO

Councilman Teniente introduced the Head of the Tourist Department for the State of Jalisco, Lic. Salvador Cardenas Navarro, who was visiting the Council meeting. Mr. Teniente then read a Proclamation making him an Alcalde of La Villita.

Mayor Cockrell presented Lic. Cardenas with the Alcalde. Lic. Cardenas thanked the Mayor for the honor and accepted it on behalf of the City of Guadalajara.

76-38 The meeting was recessed at 11:20 A. M. to go into "B" session and discussion of Sanitary Sewer Charges and was reconvened at 11:55 A. M.

76-38 The Clerk read the following Ordinance:

AN ORDINANCE 47,084

REPEALING ORDINANCE NO. 43199; AMENDING ORDINANCE NO. 42709; ESTABLISHING REVISED SANITARY SEWER CHARGES WITHIN AND WITHOUT THE CORPORATE LIMITS OF THE CITY OF SAN ANTONIO; AND ESTABLISHING A SYSTEM OF DISCOUNTS FOR EARLY PAYMENT.

\* \* \* \*

After consideration, Mr. Billa made a motion that the Ordinance be approved. Dr. Nielsen seconded the motion.

The following discussion then took place:

DR. HENRY CISNEROS: I'd like to make a substitute motion. The substitute motion would be that the rates for extensions would be increased by \$50.00, the ICL both per lot and per acre and the OCL both per lot and per acre, and that the maximum be removed so that the rate for sewer service tracts proportionately, the water usage and that the charges be computed on that basis, and that's what would be passed.

MAYOR LILA COCKRELL: All right, now, then, if this, this I know would require a change in the written ordinance.

CITY MANAGER SAM GRANATA: Well, that, or the Subdivision Regulations, I believe.

MAYOR COCKRELL: All right, well, let me get Mr. Sueltenfuss to comment on what would be involved.

MR. MEL SUELTFENFUSS: That would be the Subdivision Regulations, so we would have that procedures of hearings on that. Now, that's that. I just want to make sure that everybody understands what some of these sewer bills will be now.

MAYOR COCKRELL: All right, will you comment on them?

MR. SUELTFENFUSS: When we go on the maximum, we will see \$20, \$30 and \$40 sewer bills, it won't be uncommon at all without a maximum.

MAYOR COCKRELL: It's not usage. It is water that is not going into the sewer system.

DR. CISNEROS: I understand that.

MR. SUELTFENFUSS: Let me suggest something, Henry.

DR. CISNEROS: ...tract be proportionately, not that they be the same.

MR. SUELTFENFUSS: No, no, I think they tried to proportion up to a point and I think after that, it stops. Yes. I feel very strong about that, I think.....

DR. NIELSEN: In my own neighborhood I could give you an example. For instance, my neighbor across the street waters their yard just incessantly. I bet their, well I know their water bill is much higher, but proportionately it would not be accurate to base their sewer charge on the overall volume of water that they use because most of their water is not going back to the sewer system, it is going into their yard. Most of my water goes back into the sewer system, I just don't water as often.

MR. BOB BILLA: Mayor, I think if they will provide a sewer meter then I could go along with it, but otherwise.....

MR. SUELTFENFUSS: Of course, that's an ultimate answer, but there is no such animal that's functional.

DR. NIELSEN: Mel, I think a little bit of what Henry is driving at. One of the things that I don't know where you are and it may not even come up yet, in this EPA and 201, 208 business, would be if you are talking about some proportionate thing along with a case by case proportion, we would have a general indication the amount of pumpage that we get, figures from the Water Board and what we run through the sewer system, and we lose some, you know, I and I and all that, but we can begin if we have to, to take some comparables between those two, then you have got a broader standard which is a much more accurate measurement of what is being consumed in terms of pumping out of the ground, but finally what we have to treat, what we've got to keep in mind is what we treat through the sewer systems and not what goes back into the yards or anything else.

MAYOR COCKRELL: All right.

DR. CISNEROS: Do you understand what I'm after, what I'm after is this, there are some residences that have a dishwasher and three rest-rooms, an apartment in the back that has a restroom in it, everything else and they are paying, no matter how much they use or how much they tax the system, they are paying a maximum of \$4.25, or whatever it is, the difference between what they are actually burdening the system with, and what they're saying is spread back across the two room houses in this town.

MR. BILLA: Mayor, I can't agree with it. It's the number of people in the residence. I mean if you have got one toilet and you flush it twenty times, it will use more sewage, more sewage than one that just has ten toilets and one person.

MAYOR COCKRELL: All right.

MR. GLEN HARTMAN: Madam Mayor.

MAYOR COCKRELL: All right. Yes, Mr. Hartman.

MR. HARTMAN: The - we had talked earlier about the application of the winter water rate as the point in which you overcome these problems with regard to warm, watering the lawns, lawn watering. That is the system that is used in these areas that do not have, I mean these cities that do not have a maximum rates.

MR. SUELTFUSS: In some...in some areas.

MR. HARTMAN: Which seems to be a totally equitable way of establishing what water.....

MR. SUELTFUSS: They have lots of problems with that too. What do you do with a new guy that moves in. What do you do with a person that moves from one address to another. We have a lot that we have between 30 and 40 thousand people a year move to San Antonio. And it's a constant nightmare what do you base that new fellow's bill on? So, you get right back to the 100 gallon per capita or something.....

MAYOR COCKRELL: All right, getting back to Dr. Cisneros' motion, there was a substitute motion. I did not hear a second. Was there a second to that motion?

MR. HARTMAN: Well, I am not sure that I can fully understand all of the mathematics of that motion, would you repeat that please.

MAYOR COCKRELL: Okay, at this point, it dies for want of a second. Now, Mr. Johnson is a citizen who wished to be heard on this, we will recognize him for just a brief statement.

MR. HIRAM JOHNSON: Thank you, Madam Mayor and members of the Council. I have one concern on this discussion. My main concern though, first, is that it was my impression that this was to be brought up this afternoon and that there would be a possible or a possibility of citizens to say something. Mr. Granata in a brief discussion a minute ago indicated that a public hearing on this had been closed. I was not aware of this. The sewer rate itself, the first knowledge I had of it was this past weekend. I took off from work today to be in on the citizens' participation and the City Public Service rate increase which I heard was cancelled which was disappointing.....

MAYOR COCKRELL: No, sir, it has not been cancelled.

MR. JOHNSON: Oh, postponed.

MAYOR COCKRELL: No, sir, it's still to be heard this afternoon. The City Public Service rate increase is to be heard this afternoon. It's to be heard this afternoon.

MR. JOHNSON: Very good. I understood that this was to be presented this afternoon also.

MAYOR COCKRELL: I am sorry that.....

MR. JOHNSON: I am not aware of the cancellation of the public hearings, but I think the citizens should be able to say something. The City Council has been very generous to us in the past in listening to us, and I would appreciate that courtesy again. My one question in connection with this - just to throw it out would be the usage of swimming pools. It seems that this water would go back to the sewer, and this would be quite a volume.

MAYOR COCKRELL: That, I am sure, is correct. But I also imagine that most of them have a recirculating system, and they are drained once the season ends, or what is the.....

MR. SUELTFUSS: The only thing you would have would be occasional backwater but the other thing too is these people have to pay the maximum throughout the year too because...You see, most people don't pay a maximum. In fact, there are many months that, many months the average bill is, I can give you an average bill. Tom, what was the average biok \$2.60. Tom, what was the average sewer bill? \$2.60 something.

MR. TOM IVY: \$2.65, under the old rates.

MR. SUELTFUSS: And so it'd go up 37 cents so the point I am making is, everybody is not paying the maximum.

MAYOR COCKRELL: I see. All right.

MR. HARTMAN: Madam Mayor.

MAYOR COCKRELL: Yes, Mr. Hartman.

MR. HARTMAN: Procedurally, of course, this is Item No. VIII we are discussing which shows that after recess from the lunch hour, I think that is a point to consider. It's been posted and advertised as such.

DR. NIELSEN: Well, it's not in terms of a public hearing though.

CITY MANAGER GRANATA: No, we had a public hearing last, we had a public hearing last week and we closed the hearing.

MAYOR COCKRELL: We had a public hearing on it last week, and so it has been a matter that has been duly advertised and where we have given citizens the opportunity to be heard. Now, we also always permit citizens to register during the day for items that they would like to be heard on. And, so, although you were not registered, I did recognize you.

MR. JOHNSON: No, I was not aware this was coming up.

MAYOR COCKRELL: Yes, sir. But other than that, your main comment, what was your main point?

MR. JOHNSON: Well, I was going to recommend Council hold a vote on this until this afternoon. If that would not fracture your schedule to handle it.

MAYOR COCKRELL: All right. The Council actually was supposed to have voted last week, but it was postponed for a week from last week. So, Mrs. Dutmer.

MRS. HELEN DUTMER: I'll be very brief.

MAYOR COCKRELL: All right.

MRS. DUTMER: As the Chairman of the 201 Wastewater Treatment Committee Commission, I want to tell you and invite anyone of you that would care to come to one of our meetings and see what the United States Government has demanded of you. They haven't asked you; they have told you you are going to do it. They didn't ask us if we had the money to do it; they merely told us we were going to do it. Now, I know it's very, very

unpopular for any person to bring up a motion to raise someone's sewer bill or anything else, but someone has to take this initiative. You were elected to keep this City on an economical basis, we are running in a deficit now, you are going to hear more from your people about your deficit spending than you are about keeping up with things. You are never going to make everyone's bills in this City equitable. Now, as Mr. Sueltenfuss has pointed out to you, this is merely interim financing. You are going to have another shot at this in a very short period of time. But for right now, it is imperative that we have this money to continue on for the City of San Antonio. And the people in the Southside has, I've said before, should be the first people here beating the drums and saying aye because it is going to benefit them more than it will anyone in this City. Thank you.

MR. BILLA: Thank you, Helen. I agree with you.

MAYOR COCKRELL: Dr. Cisneros.

DR. CISNEROS: Mrs. Dutmer, I have no doubt but that we need the money and that we need it to come up with a total sum. The question is once you decide that you need the total sum to make the system operate, who is going to pay.

The first question that I had relative to that was whether or not the present extension policies that we have are not conducive to the precisely the same kind of sprawl which we have attempted to fight with our water extension revisions, with our telephone extension revisions and with the present revisions that we are considering relative to the City Public Service Board. Without any information on what the implication of that does, of these policies for that, and without trying to place the cost appropriately, it seems to me we are acting prematurely.

Secondly, the question of whether or not there are some regressive elements in terms of people who can afford to pay, pay only a maximum and people, and then the difference being spread back and across the basic rate payers who are in the lower income category. So the question is not how you are going to come up with the money, the question is how you structure an equitable system of doing it and then don't spread your City all over the countryside so that you only put yourself further in the position that the federal government is telling you how much you are going to have to spend per year. In other words, if the federal government is telling us what we are going to have to do to provide sewers and what standards and so forth, it doesn't make sense that we continue to spread all over the countryside in a very costly and even more costly fashion as the per unit cost imposed by the federal government goes up.

MR. BILLA: Mayor, I think the differential in the rates.....

MAYOR COCKRELL: All right.

DR. NIELSEN: That's why, Henry, the federal standards, because of I and I are going to impose costs that don't have a darn thing to do with sprawl, I can tell you that for sure.

MAYOR COCKRELL: All right. Now, then, at this point, Dr. Cisneros had made a suggestion or a motion that did not get a second. Mr. Hartman.

MR. HARTMAN: Yes, Madam Mayor, I think again this, we had asked for a look at the comparison, we had asked to look first of all at the extension policy to permit a comparison of extension policy and how it relates to the rates. I realize that this has been on "B" session time and again, this Council has also had a number of items to consider, and it has always managed to push this one aside.

My concern is though that we, I don't think this Council, very candidly, has a good picture of what our options are. I think that is the part that concerns me. I realize the problem with regard to running into deficit spending, but we're not there yet. We do have another week we're talking about. And I realize we do have other things, but I'm really concerned about this Council getting itself locked into a situation that I think would be inconsistent with what we have held here before.

CITY MANAGER GRANATA: What I might suggest, Mayor, you still could pass this, and ask us to do everything you've asked to do, you can always amend it.

MAYOR COCKRELL: Well.....

CITY MANAGER GRANATA: But we are getting pretty tight as I give you a financial picture pretty soon - not only in sewers.

MAYOR COCKRELL: All right. Is there any other information that would be helpful that we could produce today so that we could vote on it today?

CITY MANAGER GRANATA: I don't know of any. Mel, do you know of anything else?

MR. SUELTFUSS: (Inaudible)

MAYOR COCKRELL: All right. You have heard what Mr. Hartman has said and so forth. Dr. Cisneros.

MR. SUELTFUSS: Of course, I think what I can go back to the key that really the rate itself as it relates to the extension policy you can change it, in other words, we need to also protect our capability of bonding. We don't know what's going to happen. I mean this gives us that backward test. We don't have to sell the bonds.

CITY MANAGER GRANATA: We need a year and a half.

MR. SUELTFUSS: My point is we can change the policy tomorrow or the next day and I'm not saying that what we've got is 100 percent right. What I'm saying is, though, that all this does is give us the capability. Now, if we decide not to sell the bonds, fine. But we need to protect our ability to sell bonds, because there's no telling what will come up in the next year or two that is unforeseen.

CITY MANAGER GRANATA: And it also raises the average bill by about 37 cents a month.

MAYOR COCKRELL: All right. Again, it may be imperfect but on the other hand, I think it's generally in the ball park and I think that there can be continuing improvements as we go along. Because this is sad to relate not the last time this subject of a rate increase is going to come up and so in view of the great need for making a decision, I would suggest again that we go ahead. We do have a motion and a second that is pending, and if there is no further discussion, Clerk will call the roll. The motion is for approval of the ordinance.

MAYOR COCKRELL: Yes.

MR. PYNDUS: Absent.

MR. BILLA: Yes.

DR. CISNEROS: No.

REV. BLACK: Yes.

MR. HARTMAN: Let me ask one question before I answer that. Are we talking here in terms of interim period of financing or are we talking in terms of a time period?

MR. SUELTFUSS: Yes, by January 1, 1978, when our 201 plan will be finished.

MR. HARTMAN: January 1, 1978?

MR. SUELTFUSS: January 1, 1978, this is when we will have our total capital needs program spelled out for us. That's the point that we need to go ahead then.....

DR. NIELSEN: But we will have indications before January 1978. We've got a.....

MR. SUELTFUSS: Well, we have indications now.

DR. NIELSEN: Yeah, I know, but sometimes, is it September of next year one of the timetables?

MR. SUELTFUSS: We're going to meet that probably with our present capabilities. It's the next, it's the Advanced Waste Water Statement. By January 1, 1978, we will know exactly what our total capital programs will be, and it's going to look like it's going to be in the neighborhood of 80 to 100 million...to give you some idea of what it's going to be.

DR. NIELSEN: It doesn't have anything to do with sprawl, does it?

MR. SUELTFUSS: No.

MR. HARTMAN: Inasmuch as we are talking here strictly about the sewer rate charges, I agree, you can't separate them, I think we need to take another look at the extension policy. I will vote yes on this ordinance with a strong thrust for reconsidering the extension policy.

MR. ROHDE: I will vote yes, but I don't like the intrusions of the federal government telling us we've got to hire 12 more people on plants that we've got now.

MR. TENIENTE: No.

DR. NIELSEN: Yes.

CITY CLERK: The motion carried with six votes.

MAYOR COCKRELL: All right, the motion has carried. My ears have gone deaf, and I will not hear any more motions. The Council is now recessed for lunch.

76-38 The meeting recessed for lunch at 12:20 P. M. and reconvened at 1:30 P. M.

27. CASE 6549 - to rezone Lot 18, Block 22, NCB 13405, 8100 Block of Callaghan Road, from "R-3" Multiple Family Residential District to "B-3" Business District; and a 1.342 acre tract of land out of NCB 13627, being further described by field notes filed in the office of the City Clerk, 8000 Block of Callaghan Road, from "B-2" Business District to "B-3" Business District.

Lot 18 is located on the northeast side of Pinebrook Drive being 20' southeast of the intersection of Callaghan Road and Pinebrook Drive, having 197.49' on Pinebrook Drive and a depth of 200'.

The 1.342 acre tract of land is located on the southwest side of Pinebrook Drive, being 20' southeast of the intersection of Callaghan Road and Pinebrook Drive, having 263.78' on Pinebrook Drive and a depth of 225.18'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be denied by the City Council. Seven affirmative votes are required to overrule the Zoning Commission and grant the rezoning.

Mr. Steve Lee, one of the applicants, stated that they would like the requested change in zoning to operate a service station on the subject property. He further stated that the surrounding properties are now zoned for business. They have filed a covenant restricting the use of property against objectionable uses, specifically bars, nightclubs or massage parlors and presented a copy to the City Council.

No one spoke in opposition.

After consideration, Mr. Teniente made a motion to overrule the recommendation of the Zoning Commission and grant the rezoning, provided that proper platting is accomplished. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,085

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 18, BLOCK 22, NCB 13405, 8100 BLOCK OF CALLAGHAN ROAD, FROM "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT; AND A 1.342 ACRE TRACT OF LAND OUT OF NCB 13627, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 8000 BLOCK OF CALLAGHAN ROAD, FROM "B-2" BUSINESS DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED.

\* \* \* \*

28. CASE 6519 - to rezone a 2.213 acre tract of land out of NCB 11623, being further described by field notes filed in the office of the City Clerk, 7900 Block of Donore Place, from "A" Single Family Residential District to "B-2" Business District, located on the south-east side of Donore Place, being 540' northeast of the intersection of Fredericksburg Road and Donore Place, having 200' on Donore Place and a maximum depth of 509'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be denied by the City Council. Seven affirmative votes of the Council are required to overrule the Zoning Commission and grant the rezoning.

Mr. Wayne Freiling, the applicant, stated he is requesting a change in zone in order to operate a medical and dental clinic with a related pharmacy selling medical supplies. He also stated that he concurs with the staff's recommendation of "B-1" zoning instead of the requested "B-2" zoning. He then showed slides of the subject property. He asked for favorable consideration of his request.

The following people spoke in opposition stating they wanted to keep the character of the neighborhood residential and opposed the additional traffic that will be generated:

Dr. F. K. Peterson, Jr., 8005 Chambers Road  
Dr. William B. Stavinoha, 3910 Tupelo  
Mrs. Heng Hoei Oei, 7827 Chambers Road

Dr. Clarence W. Locke spoke in favor of the request saying that this rezoning would be beneficial to all of the property owners in the area.

Mr. Joel Reitzer, Jr., architect for the medical center, showed a photograph of the existing residence which will be converted into a medical building but will retain its present outward appearance.

Speaking in rebuttal, Mr. Freiling said that, if necessary, he would accept "O-1" Office District zoning on the southeast half of the property.

After consideration, Mr. Billa moved that the northwest 257 feet of this property be rezoned "B-1" Business District and the southeast 252 feet of the property be rezoned "O-1" Office District. The motion was seconded by Dr. Cisneros and on roll call, the motion, carrying with it adoption of the following Ordinance, was passed and approved by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,086

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE NORTHWEST 257' OF A 2.213 ACRE TRACT OF LAND OUT OF NCB 11623, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-1" BUSINESS DISTRICT; AND THE SOUTHEAST 252' OF A 2.213 ACRE TRACT OF LAND OUT OF NCB 11623, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 7900 BLOCK OF DONORE PLACE, FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "O-1" OFFICE DISTRICT.

\* \* \* \*

29. CASE 6536 - to rezone Lot 1, NCB 15674, 16240 San Pedro Avenue, from "R-4" ERZD Mobile Home District to "P-1(R-4)" ERZD Planned Unit Development Mobile Home District, located approximately 1715.76' north of the intersection of U. S. Highway 281 North and Paso Del Norte, having 60' on U. S. Highway 281 North and a maximum depth of 1645'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

Mr. J. H. Uptmore, the applicant, said that he is simply requesting a change in designation from "R-4" to "R-4"(PUD). He said that people living in the mobile home park have asked to purchase the site their mobile homes are situated on instead of paying rent. The PUD designation will permit the organization of an association in the mobile home park. There will be no change in the use of the property.

Also speaking in favor of the request were:

Mr. John Harnett  
Mr. Raymond Mercollo

A number of other persons in favor of the rezoning stood and were recognized.

Martha Tarplay read a statement for the League of Women Voters requesting a moratorium on rezoning over the Aquifer until the current study is completed.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that proper platting is accomplished in accordance with the PUD ordinance. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Cisneros.

## AN ORDINANCE 47,087

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 1, NCB 15674, 16240 SAN PEDRO AVENUE, FROM "R-4" ERZD MOBILE HOME DISTRICT TO "P-1(R-4)" ERZD PLANNED UNIT DEVELOPMENT MOBILE HOME DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED IN ACCORDANCE WITH THE PUD ORDINANCE.

\* \* \* \*

30. CASE 6561 - to rezone Lots 1 and 2, Block 4, NCB 9034, 3400 Block of Zarzamora Street, from "B" Two Family Residential District to "B-2" Business District, located on the south side of Hearne Avenue between Phyllis Street and S. Zarzamora Street, having 141.12' on Hearne Avenue and 126' on both Phyllis Street and S. Zarzamora Street.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Teniente made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished, that a six foot solid screen fence is erected and maintained along the east property line, and that a 1' non-access easement is imposed on the east property line. Mr. Billa seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Cisneros.

## AN ORDINANCE 47,088

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 1 AND 2, BLOCK 4, NCB 9034, 3400 BLOCK OF ZARZAMORA STREET, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED, THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED AND MAINTAINED ALONG THE EAST PROPERTY LINE, AND THAT A 1' NON-ACCESS EASEMENT IS IMPOSED ON THE EAST PROPERTY LINE.

\* \* \* \*

31. CASE 6546 - to rezone Lots 8 and 12, NCB 11925, 7600 Block of Broadway, from "R-6" Townhouse District to "B-2" Business District, located on the east side of Broadway between Hiler Road and E. Nottingham Drive, having 300' on Broadway and 110' on both E. Nottingham Drive and Hiler Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

Mr. John D. Baines, representing the present owners and the buyer of this property, said that the property will have a building on it of the identical architecture as Dijon Plaza which is directly across the street. There will be an exclusive antique shop and offices.

There will be no access to either Hiler Road or Nottingham and there will not be any access to the rear of the building. He urged that the Council approve this request.

Mr. B. L. Smith spoke in opposition and submitted a petition signed by the residents of Hiler Road and Nottingham asking that the request be denied.

Mr. Baines spoke in rebuttal and pointed out the extremely heavy traffic on Broadway which makes this property unsuitable for single family residences. He said that he would accept "B-1" zoning rather than the requested "B-2" zoning if that were the Council's wish.

After consideration, Mr. Billa moved that the recommendation of the Zoning Commission be approved and that the property be zoned "B-1" provided that proper replatting is accomplished, that a six foot solid screen fence is erected and maintained along the east property line, and that a non-access easement is imposed along the north and south property lines; and also that a 20' non-access easement be imposed along the east property line. The motion was seconded by Dr. Nielsen. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

AN ORDINANCE 47,089

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 8 AND 12, NCB 11925, 7600 BLOCK OF BROADWAY, FROM "R-6" TOWNHOUSE DISTRICT TO "B-1" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED, THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED AND MAINTAINED ALONG THE EAST PROPERTY LINE AND THAT A NON-ACCESS EASEMENT IS IMPOSED ALONG THE NORTH AND SOUTH PROPERTY LINES; AND ALSO THAT A 20' NON-ACCESS EASEMENT BE IMPOSED ALONG THE EAST PROPERTY LINE.

\* \* \* \*

32. CASE 6550 - to rezone Lots 6, 10 and 11, Block 1, NCB 10612, In the 1000 Block of Branch Road, from Temporary "A" Single Family Residential District to "I-1" Light Industry District, located on the west side of Branch Road, being 325' southwest of the intersection of Lula Mae Drive, and Branch Road, having 380.8' on Branch Road and a maximum depth of 226.12'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

Mr. William Robinson, representing the applicants Mr. and Mrs. S. L. Mann, would like the requested change in zoning for the expansion of the adjacent steel fabrication plant. The subject property is to be sold to the Aggregate Plant Products Company, whose plant operation adjoins the subject property to the west and south, such company would incorporate the said property in their existing business operation. Mr. Robinson presented an aerial photograph of the area. There will be no internal development to disturb the drainage.

Mr. George Cox, President of the Aggregate Plant Products Company, stated that the subject property will be used just for circulation of traffic and for storage. There are no plans to change the topography of the land.

Mr. Willie Wolter, 129 Lula Mae Drive, spoke against the requested change because of the drainage situation.

Mr. F. Scott Radke, representing Mr. and Mrs. David Ford, stated that his clients have lived in the area for 23 years. He stated that the proposed use would be very detrimental to the neighborhood. He showed the Council some photographs of the existing building. He asked the Council to deny the request. If it is approved, then his clients request that proper drainage be provided along with a privacy fence.

In rebuttal, Mr. Robinson stated that there are already industrial uses in this area, and the proposed use would not change the character of the area. As far as the drainage problem is concerned, he again stated that they will not disturb the topography. They concurred with all stipulations imposed by the Zoning Commission.

In response to Dr. Nielsen's question, Mr. Mel Sueltenfuss Director of Public Works, stated that this area which is Storm Drainage Project 114b, is not currently funded. The rezoning of this property will probably only mean a slight increase in total run-off.

After consideration, Mr. Billa made a motion that the recommendation of the Zoning Commission be approved, provided that proper replatting is accomplished, that a six foot solid screen fence is erected and maintained along Branch Road, and that a non-access easement is imposed along Branch Road. Mr. Teniente seconded the motion. on roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

#### AN ORDINANCE 47,090

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 6, 10, AND 11, BLOCK 1, NCB 10612, IN THE 1000 BLOCK OF BRANCH ROAD, FROM TEMPORARY "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED, THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED AND MAINTAINED ALONG BRANCH ROAD, AND THAT A NON-ACCESS EASEMENT IS IMPOSED ALONG BRANCH ROAD.

\* \* \* \*

33. CASE 6572 - to rezone Lots 16 and 7, Block 17, NCB 10612, In the 100 Block of Lula Mae Drive, from Temporary "A" Single Family Residential District and "B" Two Family Residential District to "I-1" Light Industry District, located southwest of the intersection of Lula Mae Drive, and Branch Road, having 310.35' on Lula Mae Drive and 100' on Branch Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council. He stated that out of 16 notices mailed, there were seven returned in opposition and three returned in favor. The written opposition represents more than 20 percent of the area within 200 feet. In this particular case, a portion of the property is zoned Temporary "A" Single Family Residential and a portion is zoned "B" Two Family Residential, so it will require seven affirmative votes to approve the zoning which is presently "B" and it will take five affirmative votes to rezone the portion which is zoned Temporary "A".

Mr. William Robinson, representing the applicant, Aggregate Plant Products Company, stated that the property in question will be used in conjunction with the steel fabrication plant to the south. There is no plan to change the existing use. The tracts in question will be utilized for outside storage and employee - caretaker quarters. He asked that the Council approve the entire rezoning, which is being requested. Again, he stated that there is a drainage problem in the area and his client is willing to work with the residents in this area to try and work out some solution in regards to this problem.

No one appeared to speak in opposition.

Mr. Billa expressed some concern on the business fronting on residential dwellings.

After consideration, Dr. Nielsen then moved to approve the recommendation of the Zoning Commission and approve the rezoning, provided that proper replatting is accomplished, that a six foot solid screen fence is erected and maintained along Lula Mae Drive and Branch Road, and that a non-access easement is imposed along Lula Mae Drive and Branch Road. Mr. Teniente seconded the motion and asked if greenery could be planted along with the fence.

In response to Mr. Teniente, Mr. Tom Finlay, Assistant City Attorney, responded that a permit cannot be issued for planting and there is no criteria for greenery.

Mr. Robinson stated that they will landscape the area around the fence.

On roll call, Dr. Nielsen's motion to approve the rezoning carried by the following vote: AYES: Billa, Cisneros, Rohde, Teniente, Nielsen; NAYS: Black, Hartman, Cockrell; ABSENT: Pyndus.

Mayor Cockrell announced that there being only five affirmative votes, one portion of this application was approved and the other portion was denied. She asked if anyone wished to comment.

Upon motion by Mr. Rohde, seconded by Dr. Nielsen, the matter was brought up for reconsideration by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

After consideration, Mr. Billa then moved to approve the recommendation of the Zoning Commission, provided that proper replatting is accomplished, that a six foot solid screen fence is erected and maintained along Lula Mae Drive and Branch Road, and that a non-access easement is imposed along Lula Mae Drive and Branch Road, and that landscaping be provided. Dr. Nielsen seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

#### AN ORDINANCE 47,091

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 16 AND 7, BLOCK 17, NCB 10612, IN THE 100 BLOCK OF LULA MAE DRIVE, FROM TEMPORARY "A" SINGLE FAMILY RESIDENTIAL DISTRICT AND "B" TWO FAMILY RESIDENTIAL DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED, THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED AND MAINTAINED ALONG LULA MAE DRIVE AND BRANCH ROAD, AND THAT A NON-ACCESS EASEMENT IS IMPOSED ALONG LULA MAE DRIVE AND BRANCH ROAD, AND THAT LANDSCAPING BE PROVIDED.

\* \* \* \*

34. CASE 6566 - to rezone Lots 21 thru 48, Block 1, NCB 14701; Lots 22 thru 40, Block 2, NCB 14702; Lots 1 thru 44, Block 3, NCB 14703; Lots 1 thru 49, Block 4, NCB 14704; Lots 1 thru 10, NCB 14705; Lots 1 thru 15 and 20 thru 28, Block 6, NCB 14706; Lots 1 thru 18, Block 7, NCB 14707; Lots 13 thru 25, Block 8, NCB 14708; Lots 11 thru 36, Block 9, NCB 14709; Lots 1 thru 26, Block 10, NCB 14710; Lots 1 thru 20, NCB 15652; Lots 1 thru 20, NCB 15653; and Lots 1 thru 20, NCB 15654, 5500 Block of Prue Road, from Temporary "R-1" Single Family Residential District to "R-1" Single Family Residential District.

Subject properties are located 414' northwest of Huebner Road, approximately 500' northeast of Babcock Road, also along the south side of Prue Road and along the east and west side of Southwell Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Zoning Commission recommended be approved by the City Council.

Mr. Robert V. West, III, the applicant, stated that he represents some 120 residents of the area who wish the area to be zoned permanently "R-1". He also had a petition signed by these residents in favor of the request.

The following persons spoke in favor of the requested change:

Mr. Howard Rich, 5340 Hollyhock  
Mrs. Elaine Semmelman, 5740 Verbina

The following persons spoke in opposition to the requested change. They stated that they objected to someone telling them what to do with their property:

Mr. William L. Bitski, 6011 Hollyhock Road  
Mrs. Ona L. Bitski, 6011 Hollyhock Road  
Mr. Mark Schwartzman, Attorney representing  
Mr. and Mrs. William Arlett  
Mr. Alexander Rand, 5786 Encino Park Road  
A. J. Siefert, 2807 Chisholm Trail

Mr. Don Stancil, 10888 Southwell, asked that corner lots be excluded from the request for rezoning.

In response to Mr. Teniente, Mr. Camargo stated that businesses in the area enjoy non-conforming rights so they would not be affected. If the Council approves the request, it will mean that the Council recognizes that the property is residential "R-1" property.

Mr. Camargo stated that no property north of Prue Road is being considered at this time. The staff's recommendation is to exclude those lots at the southeast corner of Prue Road and Southwell and the southwest corner of Prue Road and Southwell, because it is their opinion that the intersection of these two streets will be the business nodes serving this area. The staff therefore recommends Lots 1 and 2, NCB 14705 and Lot 13, NCB 14710 not be zoned permanent "R-1" classification.

After consideration, Mr. Billa made a motion that the request for rezoning be approved and to delete the properties recommended by staff and does not include Lot 2B. Mr. Teniente seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus.

#### AN ORDINANCE 47,092

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY

DESCRIBED HEREIN AS LOTS 21 THRU 48,  
BLOCK 1, NCB 14701; LOTS 22 THRU 40,  
BLOCK 2, NCB 14702; LOTS 1 THRU 44,  
BLOCK 3, NCB 14703; LOTS 1 THRU 49,  
BLOCK 4, NCB 14704; LOTS 3 THRU 10,  
NCB 14705; LOTS 1 THRU 15 AND 20 THRU  
28, BLOCK 6, NCB 14706; LOTS 1 THRU  
18, BLOCK 7, NCB 14707; LOTS 13 THRU  
25, BLOCK 8, NCB 14708; LOTS 11 THRU  
36, BLOCK 9, NCB 14709; LOTS 1 THRU  
12 AND LOTS 14 THRU 26, BLOCK 10,  
NCB 14710; LOTS 1 THRU 20, NCB 15652;  
LOTS 1 THRU 20, NCB 15653; LOTS 1  
THRU 20, NCB 15654, 5500 BLOCK OF  
PRUE ROAD, FROM TEMPORARY "R-1"  
SINGLE FAMILY RESIDENTIAL DISTRICT  
TO "R-1" SINGLE FAMILY RESIDENTIAL  
DISTRICT.

\* \* \* \*

76-38      The meeting was recessed at 4:15 P. M. and reconvened at  
4:25 P. M.

August 19, 1976  
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The City Clerk read a proposed ordinance regulating the rates for electric and gas service through the San Antonio Electric and Gas Systems operated by the City Public Service Board of San Antonio.

The following discussion took place:

MAYOR LILA COCKRELL: All right, Mr. Hartman.

MR. GLEN HARTMAN: Madam Mayor, I think perhaps we should bring everyone up to date as to where we are on this matter, and I would like to pass out at this time the draft and I emphasize draft version of the memorandum that the committee tentatively had put together to indicate what we have done and where we are.

By the way of background the Council Committee on Planning and Policy Objectives had been asked by the Mayor some five weeks ago to take a look at the rate increase request. In the contacts we also reviewed the service extension policies of the City Public Service Board. The Committee has been engaged in this up until this time and what you have before you as I say is a draft copy of a memorandum that addresses this subject. It is a draft because we feel there is need for some further discussion.

I think that the area that is of particular concern today is to discuss the matter that was recommended by the rate consultant, Mr. Kubik, during his discussion with the Committee or certain members of the Committee and the City Attorney, about a week ago, as a matter of fact, a memorandum dated the 11th of August. In the interest of trying to see what options the Council would have, we discussed with Mr. Kubik some of the options that have been discussed; namely, the matter of the service extension policy - to see where perhaps some additional savings could be realized in the realm of cost to the City Public Service Board. In response to or after the discussion on that point had been generated, Mr. Kubik came in with a recommendation, actually an additional consideration of the matter of applying a differential between inside City limits and outside City limits for the rates to be charged to a CPSB customer.

I would like to read from this memorandum. I think copies of this have been made available also to all members of the Council. He states, "The Committee's discussion was concerned primarily with the extension policy in relationship between the obligations and benefits which the citizens of San Antonio as rate payers and those rate payers who live outside the City limits may be experiencing. I have been requested to provide the City Council with my opinion and recommendation in this matter."

The extension policy of the City Public Service Board was developed to encourage development especially in housing. The extension policy, as now stated, applies equally within and outside of the City of San Antonio. It has been considered to differentiate the extension policy as to within and outside the City limits. This in my opinion is permissible and not in direct contradiction to prevailing utility practices. However, it should be noted if the extension policy alone were to be modified, then it would not equally apply to all rate payers of the City Public Service with respect to their geographical location. It would apply primarily to those seeking service from the utility for the first time."

This is where his recommendation is involved. "As an alternative I would recommend that the City Council consider adopting of an Ordinance that would direct the City Public Service to provide a rate differential of 15 per cent in favor of those customers located within the City limits. This rate differential of 15 per cent is allowable under the Public Utility

Regulatory Act of Texas. Furthermore, in my opinion, such a differential applying equally to all customers segregated by the City boundary line would be equitable. This is because the City of San Antonio in operating a City municipally-owned electric and gas utility is undertaking certain obligations, risks and responsibilities borne by City residents and businesses of which the rate payers of the City Public Service Board located outside of the City of San Antonio are free. Under rates which are equal as between the City and outside areas, the benefits to all customers are the same while obligations are not equal, thus the rate payers of the City of San Antonio are burdened with these additional obligations."

And he lists these obligations as follows:

"1. Provision of the utility service is a conventional obligation. Were the utility for any reason unable to continue providing such service, the City of San Antonio would be obliged to provide funding and resources needed to assure service and continuation.

2. The City of San Antonio through City Council staff and outside consultant service carries the burdens in fulfilling its responsibilities to the rate payers as regulator of the utility."

Then he goes on to state, "In the event the City Council should consider this recommendation we would suggest the City Public Service be requested to develop the information with review by the City staff or O'Brien and Gere to accomplish the following:

1. Provide the same overall revenue increase requested by City Public Service and recommended for City Council approval by O'Brien and Gere of \$18,602,000.

2. Develop multipliers to be applied to all gas and electric bills in such a manner that bills rendered to customers outside the City of San Antonio will, other things being equal, be 15 percent greater than bills rendered to customers within the City and,

3. Complete the necessary analyses, derivations and reviews in time for presenting to the City Council at its scheduled meeting on Thursday, August 26.

It is our opinion that if this is accomplished the flow of benefits to City customers in dollars will substantially exceed those that would be achieved from any responsible revision of the City Public Service Board extension policy." And this is signed by Mr. Adam Kubik.

I might mention again and stress the fact that Mr. Kubik offered this as an alternative to some other things that had been considered by the Committee; namely, the matter of changing the extension policy. This was one of several that have been looked at. There have been some other alternatives that have been considered by the Committee. One of which is to, rather than continuing with the so-called 14 percent in lieu of taxes which is now approximately 10.6 percent, that the Council consider changing the in lieu in taxes to a rate of return on investment. Mr. Kubik also discussed this possibility as a more proper means of perhaps of addressing that portion of the revenue.

Now, there's also been a consideration, I believe, Mr. Billa was the first to raise this, was the idea of limiting the amount of revenue that the City would take as its share of money in lieu of taxes. There

are various alternatives that need to be looked at. I think the thing we have to recognize again is the fact that CPSB is asking for \$18,600,000.00 to be able to meet the very heavy capital expenditures that will be required during a rather capital intensive period in a few years hence to capitalize such things as the completion of a coal-fired plant, and of course, the South Texas Project. The fact is that the money is going to have to come from some place. So, I lay this out in the context that this was one alternative that was considered as a possible alternative, and I have read to you the recommendations of Mr. Kubik and his rationale for submitting it to the Committee.

The Committee felt it only appropriate then that the matter be laid before the members of the Council as a possible item of consideration.

I would like to mention if I may continue for a moment, Madam Mayor, the fact that the City Public Service Board pays annually to the various incorporated municipalities within its service area money in the form of a franchise fee. During this past year, for example, City Public Service Board paid out \$383,221.78 in franchise fees to 22 incorporated municipalities within its service area. This is money paid by CPSB to these incorporated areas for the right of CPSB to go into these areas to provide electrical and gas service. So, I might mention the fact that there is, this sum could also perhaps be discussed as where should the burden be properly carried. I do have the charts which I would like to pass out to members of the Council indicating the amount of franchise fees that have been collected by the incorporated municipalities since 1971. Thus far, since 1971, a total of \$1,327,369.24 has been paid out by CPSB in the form of franchise fees. So, I think that perhaps this might be another area of discussion.

In conclusion, Madam Mayor, what we have done here is try to lay out alternatives that the Council could choose from in order to come forward with the required amount of revenue that CPSB has requested. Anyway you look at it, any kind of changes that we make, we're going to have difficulty in being able to trim significantly the 6.6 percent that has been requested by CPSB. As I say, we're still looking. So, that's where we are now. The memorandum that I have provided to you essentially lays out the areas of discussion and areas of continuing disagreement as to extension policy and last but not least the point that was raised by Mr. Kubik on the possible differential of inside/outside City limits cost. That's basically where we are at this time.

MAYOR COCKRELL: In discussing the recommendation, I don't know if you had the chance to visit with Mr. Kubik or whether the committee reviewed that recommendation with him in any detail, I wonder if in making that recommendation he also took into account the affect of the City's payments, the 11 point percent.

MR. HARTMAN: Yes, in discussing alternatives, he did mention the fact that is something else that we would want to look at in terms of perhaps altering. It was at this point I think where the discussion centered around the possibility of going to a return on investment basis, perhaps, or item number two the possibility of going to a limit as to the amount of revenue that the City would receive annually from City Public Service Board in lieu of taxes, as some alternative for the present, what is now a 10.6 percent, I think, revenue in lieu of taxes on gross receipts. So, he did indeed, he is cognizant of that, and it was raised in the context of the discussion. I think also, it should be pointed out, however, that that particular revenue in lieu of taxes is an amount that is applied equally to all customers inside and outside City limits and that we're addressing additionally here a differential that the logic would be based accordingly to Mr. Kubik on the fact that the citizens of San Antonio are the investors and in fact owners of the City Public Service Board.

MAYOR COCKRELL: Actually, ..... Dr. Nielsen.

DR. NIELSEN: Madam Mayor, Mr. Granata, relative to this discussion about some amending of the present policies regarding the in lieu of taxes, the rate of return, etc. Would you bring the Council up to date on, or Mr. White, either one, the apparent projections now for the coming year relative to our overall fiscal picture and particular the question of whether it is gonna be 32 million or 30 million as far as the actual projections as of this time on the in lieu of taxes situation.

CITY MANAGER GRANATA: As of this time as I recall, and Tom, correct me if I'm wrong, it's in the past budget it was, we were to get 32 million, and I think we'll be getting about 30. In the current budget the, we anticipate the 37 million plus. There may be a \$4 million shortfall so somebody said, but I'm not sure but projected in our current budget with the 6.6 rate increase we're to receive. We've anticipated that we will receive 37 million plus.

DR. NIELSEN: But there is a possibility that there is now an actual realistic shortfall if you will of 2 million on a 32 million we could end up between 2 and 4 million short of the 37 million figure.

CITY MANAGER GRANATA: That's correct.

MAYOR COCKRELL: Are there any other questions, if not we will go into the citizens who are registered on this issue, Mayo Galindo.

MAYO GALINDO: Madam Mayor, gentlemen of the Council, my name is Mayo Galindo, I'm an attorney. I live here in the City of San Antonio and I'm here on behalf of the Bexar County Council of Mayors. They, in turn, represent 22 incorporated cities in Bexar County and some 70 to 75,000 constituents and rate payers.

I would like to point out to you that the proposal to surcharge the outlying municipalities, the rate payers of those cities, came up before this Council a little over two years ago and I think at that time was summarily rejected. Because I think it was a concensus of opinion that there was no legal basis for such a charge to be made to the City. At that time my co-counsel, Mr. Harvey Hardy, who is absent from the City today, presented, as I recall, a memorandum legal brief of authority supporting that position as well as the resolution of the Council of the Mayors expressing their deep concern for the problems which were facing them and what further consequences that would arise if such a surcharge were made.

Now, Mr. Hartman, in paraphrasing Mr. Kubik's recommendation and report refers to Mr. Kubik's terms of risk and obligation borne by the rate payers of this City, I would like to point out to you that there are certain legal concepts that are applicable in rate making charges to be made to rate payers. One of them, if anything, is that your rate cannot be discriminatory. Now when it comes to equating this legal principal of discrimination as against non-residents, our State Supreme Court some 25 or 26 years ago in the landmark case from Texarkana held that where the City rendered services both to residents and non-residents said it could not validly discriminate and increase it's charges simply on extraterritoriality or, putting it in another fashion, that simply because you live outside the City limits you cannot charge them more.

The basic concept of rate making are the cost of rendering the service as well the fair return on the investment. Mr. Kubik, I submit to you in all candor has completely overlooked this concept. I have been favored with a copy of his report dated August 11. I would like to touch upon it briefly if I may, Madam Mayor, because I think that there are very important premises that do not bear analysis.

His first point made is that this rate differential of 15 percent which he advocates as an alternative is allowable under the public utilities regulatory act of Texas. That's not the case and a misconstruction and a misstatement and an innocent one of the statute. Section 44 of this act simply provides that public utilities cannot charge non-residents in unincorporated areas, and in here in Bexar County it would mean those citizens that don't live in any City, more than 15 percent of what others may be charged in incorporated areas. It does not attempt to be a statute which would authorize or per se automatically authorize an increase to the residents of incorporated cities within the county other than San Antonio. Not at all. Simply a limitation on that authority as to the citizens outside any city.

Secondly, I would like to point out to you that risks and obligations mentioned in his letter are not the proper criteria. The question is the cost of the service. When he talks about the provision of the utility service outside the City being a conventional obligation, I would like to point out to you that the Texas statute expressly gives the City of San Antonio the right to conduct it's operation outside the City of San Antonio by constructing and maintaining their plant such as they have. Now, when you go and you start doing business with outlying cities as they begin to grow and you go into contracts, while they may be referred to him by as a conventional obligation it is a contractual obligation and the certain incidence of nondiscrimination arise at that time and when your thinking about surcharging it must be based on some other basis other than what he recommends here of cost and obligation. It cannot be done on that basis. I would like to point out .....

MAYOR COCKRELL: The bell has rung, I'm sorry.

DR. NIELSEN: Can you kind of rap it up.

MR. GALINDO: Yes, I will. But when it comes to saying what it costs to do business I'd like for you to think what it has cost others for you to do business in the County. When you created the Calaveras and Brauning Plants you took 11,800 acres of land off their tax rolls and those plants are tax exempt and those poor people were left to pay for their bond issues without all that land on their tax rolls. That is a loss to them of approximately \$3 million plus in 1968 of land which resulted and has resulted in an increasing loss of revenue to them. So it is a two edged proposition. I realize that the energy cost is something that can't be solved as a panacea with words but I say to you that a 15 percent surcharge to the outlying cities is completely out of line and it has no legal and factual basis. Thank you.

MAYOR COCKRELL: All right, the next speaker registered is Lloyd Benke.

MR. LLOYD BENKE: Honorable Mayor, Councilmen of San Antonio, my name is Lloyd Benke. I am a director of the Bexar County Farm Bureau. I am here today speaking on behalf of over 1500 family members of Bexar County Farm Bureau, farmers and ranchers that live out of the City limits of San Antonio. We want to speak to you today on the effect that your actions will have on the increase of CPS rates 15 percent to customers out of the City limits.

First of all, if you do not believe you must believe that is very important to the economy of the City and Bexar County as a whole. You have a thriving farming and ranching community close to a large metro city as San Antonio for the production of fresh vegetables, meats and milk for the citizens. You must also consider the amount of money that is spent by all of these citizens shopping in San Antonio, the benefits derived by the merchants and the sales tax that goes to the City. I use an example, one City Council member has told us that he believes the issues to be the same as a citizen who owns stock in Exxon Company. Exxon retails

the gas, stockholders receive dividends on profit meaning that a citizen who lives in the City limits is the only stockholder and the people who live out of the City limits have no interest. We do not believe this position should be taken by City Council, just because there is but one source of electricity, CPS. We have no choice, this would certainly be an unfair advantage.

I ask you this question, has there ever been any difference in the rate charged to the City user and the country user or a higher rate charge to citizens within the City limits since 1942? Our answer is no, there has not. Has not the same amount of money, country or City collected from CPSB bills been used for capital improvements to CPS to build it to a great public utility company as we see it today? Therefore, we believe we are just such a stockholder as any citizen who lives in the City limits. I must also remind you that our bills in the country also reflect 11 percent in lieu of tax for CPS for San Antonio. How can you conscientiously vote to raise our rate 15 percent and accept our 11 percent over all the years in lieu of tax then say we are not stockholders if you want to use this as an example.

I would like for each of you to drive out in the country and see whose property these transmission lines go through. Many times at a disadvantage the farmers and ranchers who own this property. We receive no benefits from this except getting electricity from CPSB at the same rate as any one else. Most all farmers and ranchers have paid their fair share - a certain number of dollars to bring electricity to their farms and ranches from main lines to find later that CPS has hooked on to these lines to further extend to other users without compensation to them. Is this not also an extra contribution made by these people to build CPS to what it is today?

I would like to site another example. One diaryman in Bexar County who milks a diary herd of 100 cows produces enough milk in one day to supply fresh milk to 2,000 citizens of San Antonio and Bexar County. His electricity bill is approximately \$250 a month. The City gets 11 percent in lieu of tax from this man plus a certain amount of the balance is going in capital improvements at CPS. I ask you this question, just because City ordinances does not allow a diary to be in the City limits and he lives out in the country and produces milk for the welfare of all citizens, should he be penalized on his CPS bill because he lives out of the City?

MAYOR COCKRELL: The bell rang, so we ask you to conclude as quickly as possible.

MR. BENKE: All right, and finally Farm Bureau members do not believe that citizens who live within the City limits of San Antonio would want to take anything that does not rightfully belong to them. I have personally talked to many citizens and they believe there should be no difference in the rates. If City Council refuses to vote for a 15 per cent rate increase today, we would have no alternative but to appeal to the Public Utility Commission for relief. The farmers and ranchers in the area cannot absorb this additional 15 per cent increase.

MAYOR COCKRELL: Thank you Mr. Benke. Mrs. Gallego.

MRS. BEATRICE GALLEGO: Mrs. Cockrell, Council members, the action you have taken this morning on the, I will speak and make a presentation on this item, but first of all, I just wanted to express myself and I want to clarify that last Thursday when we had our 300 people here and demanded an answer to a simple question on the time on the agenda on the lawsuit and we were told that we were disruptive and out of order. So, today we had asked our people to come in the afternoon because on the agenda, all due respect to the agenda and to you, it is on the agenda for the afternoon. So, my understanding when we come in that action has already been taken and you voted on this rate increase early this morning or at 11 o'clock, or you have taken this item, the item on the agenda, you have already taken action on it.

MAYOR COCKRELL: Fine, I'll be happy to, yes, the sewer rates increase is what you...no. All right, let me respond to her question. The item was not listed for a particular time. They did give a lunch time on the agenda, but this item was not listed for a particular time. Now, I did not receive any calls from any one asking what time it would be heard and I don't believe the City Manager did either. We did complete the cases this morning that were scheduled for this morning and we knew that there were persons who were going to be here on the CPS item so we did not take that up. I asked the City Manager and I checked and I had not had any calls asking for people to be heard and there was no one registered on the sewer rate request and so we went ahead and did handle that this morning. You may remember that we did have last week a public hearing on that item and we have had it on the pending workload for several weeks and so we have already taken action. Now, at the conclusion of today's agenda, there is again the Citizens To Be Heard time and if you would like to be heard then, we will certainly be happy to hear any comments you may have on that even though it was already passed this morning. We will still be glad to hear the comments.

MRS. GALLEGO: No, our comments were for this afternoon. Since we were going by the agenda and it says here after lunch. That is what it states right here, after lunch. After recess for lunch, then follows with the ordinance of the sanitary sewer charges. This is what I am referring to, that this is what angers our people. We wait here for ten or fifteen hours, or ten hours, I won't exaggerate, but ten hours we have and we did wait that long and we are a reasonable group and this is just what I am clearing.

MAYOR COCKRELL: Okay, we have also passed Item No. XI. We handled those two because so far as we knew, there were no citizens who were desirous to be heard on those items. But anyway, we will go forth with this one that we are considering now, and we will be glad to hear your remarks on that one.

MRS. GALLEGO: This is the reason we were here, was to ask a resolution and it is my understanding, a part of what we were going to ask is the studies of the policies that was one of the action you took this morning and what we want is the time frame on it from the Planning Commission and recommendations from the Council on the time frame.

MAYOR COCKRELL: If we may, let's finish up our CPS item and then we will come back to your comments on that and the citizens to be heard. Mr. Hartman.

MR. HARTMAN: Madam Mayor, with regard to the action taken on Item VIII, I think it should be pointed out that the Council voted only to grant the amount of increase in the sewer rate with the understanding that the matter of extension policies is a matter to be explored further, and I think Mr. Sueltenfuss so indicated. I think that should be clarified the fact that the action taken on Item VIII was strictly with regard to rates, the fact that the extension policy is still under review and will undergo further review.

CITY MANAGER GRANATA: That's correct.

MRS. GALLEGO: That we would like to participate with the reviewing committee on that.

MAYOR COCKRELL: .. We would be glad to have you.

MRS. GALLEGO: As far as our position on the CPS, we have already, you know, talked about, mentioned it before that our position is no rate increase and that we would like the refund to be resolved. Thank you.

MAYOR COCKRELL: You would like first of all, no increase.

MRS. GALLEGO: No rate increase.

MAYOR COCKRELL: All right.

MRS. GALLEGO: And their refund to be abolished.

MAYOR COCKRELL: The refund, oh, under the extension clause.

MRS. GALLEGO: Under the extension.

MAYOR COCKRELL: I see. On the rate increase, I don't want a rate increase either, Mrs. Gallego. I just would do anything not to have a rate increase, but on the other hand, I'll just tell you I have the problem as all the Council members do. We have not been able to negate the real need of the City Public Service Board to go ahead with these capital projects and everything has to be paid for. So, we are really between what my grandmother use to call, a rock in a hard place and we are looking at it very carefully, but we can't let our utilities go into a real financial bind where we can't pay for these improvements that we need and so we really, it is a difficult issue. Certainly, there is nothing more unpopular than having to vote for a rate increase, and there is not a one of us on the Council who doesn't know that that's true.

DR. NIELSEN: Very candidly, I would not, just for my own selfish reasons, would like to see a rate increase. But I don't realistically see any way out right now and the only thing that if we do not pass

one now, it is going to put pressure on for a greater increase next year. Very candidly, even Mr. Kubik has told us that. That's all that is going to happen, Beatrice, when you get right down to it. That there is no other way to approach it.

MR. BILLA: Also, Mayor, if we don't get this rate increase we will have to go before another regulatory agency to even meet these requirements and I would like to ask Mrs. Gallego the same question I asked the other day. That this utility is owned by all the citizens of San Antonio and unless you can prove to me that it is not operating efficiently and they come in for a rate increase, I have no alternative but to either grant the rate increase or ask for a tax increase to subsidize this utility like we do the Transit Board. Now, what do you prefer? If you can't prove that it's not, that you can prove that it is inefficient or can't prove that it's not efficient, and that's the only question I have.

MRS. GALLEGO: I would feel, you know, like I said, with the studies that we have done, we feel that this is out of position. You know, no rate increase at this time.

MAYOR COCKRELL: Well, thank you so much, Mrs. Gallego.

MR. BILLA: Thank you.

MAYOR COCKRELL: All right, Mr. Johnson.

MR. HIRAM JOHNSON: Good afternoon. Again, I appreciate the opportunity to be able to speak. I would like to speak against the rate increase. I am concerned that the taxpayers, the rate payers, may become overburdened in the City of San Antonio and find it in a situation like they did in New York City. We have had firemen's pay increase, police pay increase, the garbage rate hike, the Transit Company very nearly went on strike for a higher increase, the City Public Service had an increase in January, the telephone company has had an increase, now the City Public Service Board is back for another increase. I do not as an individual citizen mind paying additional taxes nor higher rates. But I would certainly expect that I would get some benefits from it. I am against my money being used by special interest groups and this type of thing. I am against the refund policy for the developers, specifically, and I would hope that City Council pursues the case against Coastal States/Lo Vaca to a logical judiciary conclusion and to hang Oscar Wyatt and Coastal States both. Thank you.

MR. BILLA: Mayor, I would like to ask him a question.

MAYOR COCKRELL: Mr. Billa

MR. BILLA: You have put these things in proper context, Mr. Johnson. You talk about subsidizing the developer, and also the granting of rebates. You forget who owns and who gets all the revenues from these services. I mean, the homebuilder can build a house and not have any of these services, and it's the municipality's responsibility to provide them. So, it's just when are you going to pay for them and who makes the capital investment. All you are doing is penalizing the homeowner, whether it is a new homeowner or an old homeowner. Now, if you have a service out there and you call the utility company, and it's not adequate, you want a new transformer up there to supply your air conditioner, does the CPS charge for this, Mr. Spruce? Okay, see, you are getting something there and you are not paying for it. I mean how do you explain that.

MR. JOHNSON: Okay, my position on this is that the developers are building outside and they are not in any logical development. There is no plan development at this time. They develop here, here, here and here. The City Public Service Board has to provide these extensions out here, and they do this through rate increases. I would suggest that the possibility that the people in the development, if they want to live out in these areas outside the City limits or out in a special area, that they pay the cost of putting these extensions out there.

MAYOR COCKRELL: Thank you Mr. Johnson. All right, now that concludes the persons that are registered on this particular item. All right, Mayor Webster, would you like to come forward and be heard. Mayor Webster turned in a copy of an ordinance passed by the City of Balcones Heights and we would be happy to hear from you sir.

MAYOR DANIEL WEBSTER: Honorable Mayor and Council members and citizens of San Antonio and the municipalities in outlying and rural areas, I want to say that we appreciate your position as Council members in trying to get as much money in for the utilities as possible. But we also recognize that the utility systems were glad to extend themselves out into our areas in order that they might get sufficient money to retire the revenue bonds. It is not strictly owned by the City of San Antonio. It is owned by the users, the users who are paying off the revenue bonds. You mentioned a two per cent gross receipt tax that we were receiving. Yes, we are proud to receive that. That's for the right to use our streets, the right to install utility poles, the right to dig up our streets and lay a gas line without a permit. We come back many times, we do have to come back, and ask you to come back out and straighten it up. I am sure that all of you know you run into those problems from time to time and we are not criticizing the City for that particular reason.

We are saying that the municipalities have a rate authority that is established by a State law. We, as a municipality, this morning in an emergency session, concurred in the rates that have been set in Balcones Heights because they are the same rates that are in the City of San Antonio. Consequently, we are agreeing that you are not making a distinction in the rates between the City of San Antonio and the City of Balcones Heights. Likewise, that would apply to all of the other municipalities that lie outside of the City limits. I am sure, take for instance Balcones Heights, I would somewhat challenge the City of San Antonio to say that they have extended their lines because they came out to Balcones Heights here when it was in the County. They were glad when Mr. Waldhagen had a business, when the tourist court was there and when Maddox had a mattress factory. They tried to get electricity out there in order that they might get some money to retire the bonded indebtedness on these revenue bonds that had been sold. So, it hasn't always been a one way factor. We have a contributing factor and we are just as much a stockholder in the utility system of the City of San Antonio. We are not as massive. I will admit that, but we are a part of it and the boundary lines of the Public Utility System was not set just for San Antonio alone. It was set for an area that they might reach out and get money to retire the bonded indebtedness.

I want to say that again, that we feel that all municipalities under the State law have a right to check the rates, have a right to come and ask you and for a rate hearing. We did not ask for a rate hearing. We accepted those rates on the basis of you paying us a two per cent gross receipt tax to business in our community. We feel that

that was just and fair and we feel that we are a part of the utility system. It is not strictly San Antonio's. We certainly appreciate your attention here and we certainly expect you to give this your utmost and fairest consideration. Thank you.

MAYOR COCKRELL: Thank you, Mayor Webster. Mr. Hartman. Mayor Webster, I think there are some questions or comments.

MR. HARTMAN: Mayor Webster, looking at the record of the gross receipts tax, I noticed that last year, the City Public Service Board paid Balcones Heights \$32,637.02 for the franchise tax for the opportunity to operate in Balcones Heights.

MAYOR WEBSTER: Now, let me state the question right along there. We also, that was included in that 11 per cent to the City of San Antonio in lieu of taxes that we paid.

MR. HARTMAN: Well okay, I'd like, I think that's another area that I think needs further discussion.

MAYOR COCKRELL: Not in the \$32,000.

MAYOR WEBSTER: No but let's make a little distinction there that it wasn't all one way.

MR. HARTMAN: No, I grant that, and I am going to address the other part of it. But the \$32,637.02 was a payment by the City Public Service Board to Balcones Heights in order to, in effect, use Balcones Heights' streets, etc. in order to provide that service there. Now, I am wondering if the municipality of Balcones Heights would be willing to forego this two per cent franchise fee if the City, if we as a municipality would also consider for, you know, keeping the rates on an even basis. As you know, sir, we do have differential in terms of water service, sewer service, outside the City limits. In other words, it is an established principle, but as I understand my, our City Attorney, has been upheld by the Courts. I think if it's a matter of foregoing certain fees, I would be interested to know whether the municipalities within the service area would be willing to forego the franchise tax?

MAYOR WEBSTER: That would be a matter for the individual Councils to take up, to give it consideration. But, you must remember on the basis of you paying \$32,000 to us that you have quite a large receipts back because in Balcones Heights we have 17 apartment houses, that are very large, we have Wonderland Shopping Center, so you have got a good return on your....

MR. HARTMAN: Yes, well I am not denying that, Mr. Webster, although of course, all the citizens of San Antonio also pay that same amount. In other words, there was not a differential in order to keep this in terms of differentials. The \$32,600 represents a differential, if you will, in the same context that the 15 per cent represents the differential that we would be discussing here and so if we would be willing to forego the differential, which according to our legal advisor, would be within our purview, I would wonder perhaps that municipalities within our service area would also consider foregoing this two per cent gross receipts tax.

MAYOR WEBSTER: That would be up to the Council of Mayors to approach their individual Councils.

MAYOR COCKRELL: All right, let's....

MAYOR WEBSTER: And then...

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MAYOR COCKRELL: That's something that you're not prepared to give a....There is no way that you could individually give an answer.

MAYOR WEBSTER: No, and since I am speaking to primarily for Balcones Heights today, although I was Chairman of the Council of Mayors at the time Mr. Hardy briefed this case, and we want to substantiate what Mr. Galindo had to say. We do want to emphasize the fact that we do have rate-fixing authority. The State law gives us that authority, and we just permitted you to come on it and do business on the basis of a two per cent gross receipts tax, and we never did question the rates.

Now, we went into a contract on water because originally we were told that water was going to cost us 30 per cent more, and we went into a contract on that basis, but when they reached out to give electric and gas service, they were glad to get it. They needed it. They needed all the customers that they could possibly get in order that they might be able to sell more bonds and have money to pay off the bonds that they have.

MAYOR COCKRELL: Dr. Nielsen.

DR. NIELSEN: Mayor, just one quick question. Perhaps you can in some sense speak for the Council in Balcones Heights. If they were, let's just say a 6.6 per cent increase granted, would it be your feeling that this for everybody, that you and the Council in Balcones Heights would concur in that with no differential.

MAYOR WEBSTER: I feel this way, that if the rates are increased in San Antonio, that I feel that naturally it would be increased throughout the entire areas that they service. We have kind of a contract with the City Water Board. If they increase the rates in San Antonio, they automatically increase Balcones Heights.

MAYOR COCKRELL: Yes, sir.

MAYOR WEBSTER: Thank you.

MAYOR COCKRELL: Fine. All right. I believe that those are all the persons who are registered to be heard. We come now - oh, I beg your pardon, there is one - I received one note that Mr. David Hemion is here from the Chamber, and Mr. Walter Bielstein from the Chamber had wished to speak, and unfortunately was given incorrect information that it wouldn't be discussed today, and so we're sorry about that. But we would ask Mr. Hemion if he would like to speak. Yes, sir.

MR. DAVID HEMION: My name is David Hemion and I'm the staff manager for urban affairs for the Greater San Antonio Chamber of Commerce. I'm speaking on behalf of Walter Bielstein, who is the Chairman of the Community Development Council of the Chamber. We are representing over 2700 members today, many of whom are the City's largest utility billpayers and are painfully aware of the increasing cost of energy. Nonetheless, the Chamber endorses the necessary 6.6 percent increase in the rates being requested by the City Public Service Board. We offer our support because we realize that the urgency of completing construction of the systems coal powered generating plants and the continuing investment needed for the South Texas Nuclear Project. The requested rate increase will insure continued ability of CPSB to cover its construction debts of these new facilities. Those new plants will prove a wise investment for the City allowing for transition from costly gas and oil burning units to cheaper coal and nuclear fuels. This guarantee of stable energy sources will enhance San Antonio's position for economic development and new jobs and the Chamber urges the Council to approve the requested rate increase without further delay.

While we support the rate increase, we must caution the Council that proposals which provide differential rates or differential charges for extension of the system might be unwise. Such proposals as having one rate per customers who live within the City limits of San Antonio and a higher rate for those living outside the City limits will be counter-productive to the overall betterment of the community. If this proposition is challenged before the Public Utility Commission, an action we understand is highly probable, it could put the entire rate increase in jeopardy, resulting in time delays and additional rate increases down the line. We understand that the Council's considering this differential rate as an alternative to a proposal which would allow refund contracts on utility extensions only within the City limits. This is clearly an attempt to mandate the direction which new growth and development will take. The City's Planning Commission is presently developing a master plan which will guide City policy on growth and development. We feel it would be unwise to attempt to prejudice the work and study of the Planning Commission by adopting extension policies which may conflict with the master plan they're developing. Such a decision relating to growth needs full study and documentation showing its total impact on the economy of the area.

Finally, we would urge the Council to accept the proposed adjustments for extension charges as presented by the CPSB staff. It must be noted that these charges are being increased some 300 percent. Some would suggest a further increase by doing away with extension refund contracts altogether. Since these refunds are based on providing each new customer with the same equity in the utility system that every present customer enjoys, we would urge that the Council reject attempts to deprive new and future customers of their equal and fair share as determined by the rate structure. Thank you.

MAYOR COCKRELL: Yes, Mr. Hartman.

MR. HARTMAN: Do you have any - does the Chamber have any position with regard to the two percent franchise?

MR. HEMION: No, sir, we don't. Are there any questions? Thank you.

MAYOR COCKRELL: All right, thank you. All right. We have heard -

MR. NORMAN OFFLER: (Inaudible - speaking from the audience).

MAYOR COCKRELL: Well, we are running out of time. We have heard from someone from the Farm Bureau.

MR. OFFLER: (Inaudible).

DR. NIELSEN: Could you make it very brief, sir?

MAYOR COCKRELL: Well, all right, yes, sir. Please come up.

MR. OFFLER: Madam Mayor, Council members. I'm Norman Offler from the Bexar County Farm Bureau. I believe I can speak for the Farm Bureau members if you have a rate increase, and it will be equally across the board for the whole county. I believe we will fully thank you folks if it's within reason. I believe the six percent or so that you have been talking about is reasonable. If the money is used wisely to assure that we will have sufficient power in the future, I know the people will back you folks. Thank you.

MAYOR COCKRELL: All right, thank you, sir. All right. We come to the time when the Council is faced with some alternatives. I will be happy to give you my recommendation for whatever it might be worth and so I will...yes, Mr. Hartman.

MR. HARTMAN: I'd just like again to indicate where we are. I mean we have before us the need to satisfy in some way or another the cash flow problem of the City Public Service Board and leave them out roughly \$18.6 million per year. The committee has looked at alternatives and as pointed out in the draft memorandum, the matter of extension policy at most could impact upon us to the extent of 1.4 percent. The matter of the differential as an alternative obviously has had some difficulty within the area. There is also some I think something to be said about the questionability of the or the propriety of the two percent gross receipts tax. I think that that question also needs to be answered. The point simply is the committee has been asked to look for ways in which the 6.6 percent could even be trimmed or justified and we're at the point where it seems that no one wants to give anything and something's got to give or else we're going to - you know, if we're talking about a 6.6 increase without any shrinkage whatsoever, then that's it. But, I think that there are some basics of logics for decreasing the amount of increase, and I think the committee must look to the full Council here so where do we go from here.

MAYOR COCKRELL: All right. At this point, I will be glad to state what my feelings about these things are and then other Council members are welcomed to do the same.

First of all I think we have to look at the issue of the rate differential. Now it is certainly true that we use a rate differential in our sewer charge and in our water charge. Why then should we not use one in our CPSB charge? Well, I think there is an answer to why we should not, because I don't feel that at this time we should go into a rate differential and the reason that I don't is that because in the CPSB account unlike either of our other two accounts, the City is collecting equally throughout the entire service area as is now 11. - 10.6 percent which is utilized solely for the benefit of the San Antonio City taxpayers. So, I think that, in effect, provides a differential. Now, if we did not have that particular income to the City which we receive as our income from a utility that is owned by the citizens of San Antonio and which directly benefits the citizens of San Antonio, then I would say most certainly we should insist that we have a rate differential just as we do in our other two utilities. But I think the fact that we do have this income which permits us to keep our property taxes at a level that is not exorbitant, I think is a direct benefit to the citizens of San Antonio. So that is one of the issues that I wish to speak on.

In respect to the franchise taxes that are charged by the respective cities, this is a legal charge to which they're entitled. I think the City - I'd have pointed this out before, and I want to prod the City staff on this measure. The City of San Antonio is also entitled to a franchise tax in respect to the privately-owned water companies. And I want to bring that up again because we - that is an area that I have mentioned before.

CITY ATTORNEY PARKER: Yes, madam, we've been working on that, Mrs. Cockrell, and the person that was working on it for the City Attorney's office resigned last week, and - but I'll find out where it is. And the process has been under review by the City Water Board as well as the finance department and the City Attorney's office.

MAYOR COCKRELL: But at any rate, what I'm saying is that I cannot rule out the ability of the other cities to collect the franchise on CPSB if on the other hand I want to collect it on the privately-owned water companies as an effort to equalize charges there. So, I think if it's collected equally, then I think it's fair but I don't think it's fair if we don't collect it on such things as the privately-owned water companies. So, that would be my position on that particular issue.

Now, in terms of the development policies, that is, of course, a related item. It is listed as a separate item, and I do think that the CPSB has made an excellent start on improving the extension policies over what they have been in the past. Whether they have gone as far as they should, I still have a couple of areas that I am not sure that they have. But, at this point I will say at least that has initiated the process of reviewing the extension policies, and I think is a definite improvement over what we have had.

So to sum up, I would favor having a uniform rate because of the fact that we get the income from the what used to be 14 percent and now is 10.6 percent. And I would not be particularly pressing on the two percent franchise since that is established by state law, and I feel that we should simply press on our side to get it on all private water companies. So that would in general be my position. Other than that, I'm ready to proceed on the rate increase because I feel it's absolutely necessary and in - I guess that we might say it has to get worse before it gets better because getting better depends on the coal plant and the nuclear plant, and we have to get them paid for before we're able to derive the energy from resources.

DR. NIELSEN: (Inaudible) Well, we've got to get them built. It takes a long time to pay for.

MAYOR COCKRELL: Yes, well, built and paid for. I think we had two hands up, Mr. Hartman.

MR. HARTMAN: Yes, with regards to the matter of the two percent franchise tax which granted is a legal permissible thing, there's no question about the fact that two percent is legal. The question, and I think the same thing relates to the whole argument about where we're trying to find you know, scrape down the dollar. We're looking here at a figure of \$383,000 that the City Public Service Board is having to pay additional, you know, paying additional per year for the - you know, to operate within 22 other areas. I have no argument with the fact that it's legal. I'm just wondering in a time when we're trying to look for every last little dollar to try and hold down this cost, whether, you know, hopefully, there would be some initiative to turn around on that. With regard to the matter of legality of the 15 percent unless the Council wishes to advise me otherwise now that is likewise legal, above and beyond the 10.6 percent. Now, there again, I grant you I've got some hangups with regard to charging that because we're trying to keep costs down. The point is both of them are legal and somebody is going to have to give somewhere if we're going to try to keep these costs down. Does legal counsel agree?

CITY ATTORNEY PARKER: The 15 percent, you have to whatever the rate is it goes up to that part under Section 44 of the Public Utilities Act, says that any rate that is in excess of 15 percent is then subject to review by the other. So there's an implication that any rate that would be 15 percent differential between what is inside and what is outside would be permissible. Any rate that is charged outside has to have some reasonable basis, and you justify the reasonable cost up to the 15 percent or whatever; it can even be 30 percent or 50 percent. The fact is right now the people that live within the City limits of the City of San Antonio and the people that live outside the City limits of any other incorporated city that CPS is serving is being, is paying as part of the

cost of service the \$383,000 is paid to the bedroom cities. In effect we're paying part of that as part of our rate structure, too.

MR. HARTMAN: That's the part of the rate structure. That's where the whole thing is at. Where can we, where is there a place to shrink?

DR. NIELSEN: I would like to just very quickly state that I cannot recommend in terms of a policy at this time for two reasons, that 15 percent differential outside City limits. First of all, as the Mayor said, there is, we have a tough time justifying the 10.6 percent. The second thing is, right now, just take one example, the struggle we're caught up in and I think there is a sincere effort in terms of economic development. Let's just say the Baker Tool thing which was outside the City limits, it would be 15 percent more that they would have to pay on their utility, I don't know if that would tip them in their discussion or not. I just don't think in terms of economic development, now is the time to make that kind of an adjustment. It may be wise somewhere down the line, right now I don't.

Let me just say real quick, the other reason that as far as a policy dealing with adjustments, whether it's franchise or whatever. If we want to get into the franchise thing, we're going to need some real help and advice from the CPS people who are very directly familiar. I think it would be a little arbitrary for us as a City Council, although we are rate setting authority, of our own, or I at least have to hear something from CPS in terms of what they would recommend as a procedure to even accomplish it. I don't think legally we've got any right to say you cannot have service unless you give up the 2 percent. So, we're in a bind in terms of how to approach this. I don't know what CPS would say or their lawyers or anybody else but unless there's a clear approach to it, I don't know how we're going to deal with it now or even in the winter.

MAYOR COCKRELL: I think Dr. Cisneros was next.

DR. CISNEROS: Well, Mayor, I just want to make a couple of statements and then ask a couple of questions if I may. I have questions of the CPS representatives.

First of all, I want to agree with the Mayor and Dr. Nielsen that I don't think the 15 percent differential outside the City limits is a good idea. My reasons are slightly different than those that have been articulated, although I agree with those. The reason is that what we were attempting to do is starting out talking about some sort of in-City versus out of City differential was to deal with this whole question of growth, land use planning, sprawl and cost of this and all that sort of thing. I don't think that this suggestion that Mr. Kubik deals with that question at all. What it does, it just deals with the existing base of customers outside versus inside. For every customer that Mr. Kubik might suggest that you would further get some income. Terrell Hills and in Alamo Heights, Castle Hills, you also have communities like Villa Coronado and Meadow Cliff and a lot of other little communities like that. Those happen to be within the City limits but a lot of other little communities like that outside of the City for whom a 15 percent increase would be unconscionable. So, I haven't seen the demographics of it, but my guess is that there is as many people below poverty outside the City limits who would be burdened with the 15 percent as there are people of higher income outside the City limits who would also be burdened by the 15 percent, and in that light, I don't think that it does what we intend it to do in terms of a growth policy. So, I would suggest that whatever is finally passed by this body in terms of a rate that it embody the recommendations of the Committee with respect to the extension policies cause. We earlier embarked on some extension revision relative to the Water Board. We handled that in our rate discussions relative to the Telephone Company and I think it's appropriate that we begin to deal with City Public Service Board and the staff has been very cooperative.

Now this next issue may sound a little bit off the wall but I would like to ask Mr. Spruce and Mr. Freeman, if possible, the following question. We have been unable in the committee, and I think the committee has done a somewhat less than thorough job. I'm a member of the com-

mittee, but a somewhat less than thorough job in comparison with what we did in other instances. We've just been pressed for time; we have not been able to do it. We've had a hassle with meetings there at 7:30 in the morning but they were really not as productive as we had with the water and other issues. The result is that there are a lot of questions left hanging. The extension policy really is not tied down to a final recommendation. The inverted rate structure is not tied down to a final recommendation. The question of what we're going to do in terms of the City's in lieu of versus return to equity base is not tied down to a final recommendation and so forth. Now, recognizing that they are not going to be tied down in any analytical fashion with great precision and at the same time recognizing that the citizens of San Antonio cannot at this time, in my opinion, pay the full 6.6 percent. I mean there are just a lot of people who are not going to be able to pay that on top of their August and September bill, recognizing that whatever we do by way of either suit or settlement is going to have some implications for the fuel adjustment which we're not even talking about here. We're talking about the basic rate but the fuel adjustment continues to climb, and as CPS needs more gas that will rise from \$1.86 to \$1.89 to \$2.00 range. The question is, what is the absolute minimum in terms of a percentage that CPS can tolerate? I would like to, when we get to motion time, I realize it's arbitrary, but no more arbitrary than what we did this time a year ago, with the water and so forth, take that figure of 6.6 and make it something like 3 percent and say, citizens of San Antonio can't afford anything else other than that. And we're going to have to live within those bounds and make whatever cutbacks we have to make within our internal organization and everything else and force fit it to something like 3 percent. What does that mean, Mr. Spruce and Mr. Freeman?

MAYOR COCKRELL: All right. May we ask the.....

MR. BILLA: I can respond to that.

DR. CISNEROS: We had to do that last year, remember, with water.

MAYOR COCKRELL: Mr. Billa.

MR. BILLA: I want to remind the good Doctor that you know, we hassled with that water rate. They came to us for a 30 percent rate hike and when I analyzed all their problems, I thought that it was a necessary thing, so what we do, we give them 19 and 10 so they wind up with 29 percent. We did all of this studying and all of this hassling and used all our time, and they still get 29 percent, note just one per cent difference.

MR. HARTMAN: It came about eight months later.

MR. BILLA: It what?

MR. HARTMAN: About eight or nine.....

MR. BILLA: Yeah, about eight months later. I think we've got to give some credit to these people at CPS. They are working for us and I don't like, I want to vote against the rate increase.

DR. CISNEROS: It's not a question of liking a rate increase, it's a question of, you know, just how many people out there who just cannot do it.

MR. BILLA: I don't think it's a one or two percent is going to make that difference as much difference it will make to the utility not having it to meet their requirements. I want to say this again that no one has come here and proven to me that the utility is operating inefficiently. So, if they are not operating inefficiently and they say they need a 6.6 percent rate increase to meet their obligations, I feel compelled to give it to them unless I'm going to do more research. As far as the 15 per cent outside the City at first blush that looked like a very good thing, but in a further analysis I think it would be an inequitable situation so I couldn't support that even though I would like to produce the revenue. But I couldn't support that because I think the 10.6 that we get, the return on investment takes care of that.

MAYOR COCKRELL: Mr. Spruce, in the first place, the rate structure, would you comment upon the basis now for the rate structure in the new proposal as opposed to fuel adjustment and base rate and so forth, and how the 6.6 percent applies.

MR. JACK SPRUCE: Yes, Mayor, thank you. The 6.6 percent I think you will recall has an overall affect on all the ratepayers considering all classes as a whole. It's a little more in some classes and a little less in others. It's predicated on the fact that the CPS had asked for what amounts to a 15 percent increase overall in the base rate as it is now constituted. When the fuel adjustment is taken into account as to the amount the customers are paying, the increase amounts to about 6.6 percent. As to how we arrive at the 6.6 percent requirement, Council will recall that in June of 1974, CPS asked for a 25 percent rate increase at that time on the base rate after a review by O'Brien and Gere on a rate of return analysis which was agreed, which was really not the purest applicable form of analysis from CPS, as opposed to a cash flow, which we customarily use because there's no official profit in our operation. Council did grant us a 19% increase which was less than what was requested. We have not taken the time to go back and analyze the difference between what we derive from the 19 percent and what we would have derived from the 25. We have speculated that possibly we would not now be standing before Council asking for this rate increase had the 25 percent increase been granted at that time.

Again we come to you now with a request for a rate increase. This time 15 percent on the base rate, 6.6 percent overall, after having done every possible analysis that's possible under projected cash flows, projected utilization, projected expenses, not counting the cost of fuel, of course. That is something, well, it does take into account as far as the fact that we will be burning coal, and we'll be using nuclear fuel in the future. But this in our opinion is the absolute minimum that we can ask for, or that we can receive and still continue to operate the business in a way that it is set to go forward and meet the debt service that we have projected and meet these other expenses. We feel that we have been conservative in these estimates. We recognize also that the increased cost impact very heavily on all users and most particularly on some classes of users. We've tried to slant the increase wherever possible so as to have the minimum effect on those people who have the least ability to pay. However, any increase like this does also result in short falls in sales that have been projected and after looking at it over and over, we certainly hate to come up here and ask for a rate increase. We feel that that is the absolute least that we can ask Council for and continue to operate the business and carry out the programs on which we're embarking.

DR. CISNEROS: The question really was, you started, if you went to the assumption that you weren't going to get the 6.6 percent you were asking or the 15 across the board, \$18 million, and that it was going to be 3 instead of 6.6 or 7.5 instead of 15. Just for talking's sake at the moment, where do you have to start cutting. What goes first?

MR. SPRUCE: Well, I would say the most of what's in there as far as projected debt service, and I suppose the only thing that we could cut that would really have any impact, would be part of the capital program.

REV. BLACK: You mean the atomic reactor.....

MR. SPRUCE: The nuclear power plant, the coal power plants, of course, represent the major part of the capital outlet. You know, we're doing everything we can to cut corners and to trim operating expenses to reduce personnel, to reduce, you know, we've done the best we can to control costs on purchases we make, on payment to people for any work they carry out, on improving efficiency. The only large items in the whole request, of course, are the capital program, the coal fired plant and the nuclear power plant.

MR. BILLA: How many people have you laid off, Mr. Spruce?

MR. SPRUCE: We are a hundred people down from this same time last year. We haven't actually had any mass lay-offs. We've tried to reduce personnel by attrition. If we do complete the coal plants and operate them, we're going to have to add some people to operate the coal plant.

They take more people to operate than the gas-fired plant. But we can't continue to burn gas into the future, we know that.

REV. BLACK: Madam Mayor, why I said that in sort of a joking way, I think we've got to face the fact that if we're going to deal with this whole matter of reduction in increase of rates, we've got to deal with the capital improvements of the capital expenditures. Certainly, I have taken a position with reference to a plant that has to do, to our south, for different reasons and what we're talking about, but I think those who have given support to this, cannot escape the fact that if they are going to have this, if this is and the judgment that they are making is that this will essentially reduce rates, then we're going to have to face it in terms of increase in rates. My position is that you can't have it, you can't have your cake and eat it too. You can't have both of them. You've got to deal with the one, one or the other. I think we've got to face the fact that to produce energy in this manner, the capital outlay is very expensive and calls for a considerable amount of money. So, only other option is that we eliminate a portion of our in lieu of taxes. Now, once we do that then the citizens have to be willing to face the fact that we've got to add to the tax roll.

CITY MANAGER GRANATA: That's right.

REV. BLACK: So, any way you go, your vote is bad, from the Council's point of view, what I'm saying is I've been voting against or abstaining in the light of the atomic reactor and that doesn't seem to be getting me anywhere. So, I'm finding myself in a position, you know, if we voted to not, then we've got to go to taxes, you see. I don't see the Council jumping up and down to grab that vote either. We've got to face this recommendation.

MAYOR COCKRELL: In the rate structure, what I was getting at too, is this has the integrated rate structure feature, doesn't it with the cost of the gas being re-valued or is that still in a separate fuel adjustment?

MR. SPRUCE: You mean changing of the base rate to incorporate more of the fuel cost. We recommend that we go ahead and do that. I think also the Council had asked us to do that back - probably back in November and December.

MR. HARTMAN: That was \$1.75.

MR. SPRUCE: Yes, Madam, the new structure does provide, of course, that approximately \$1.75 would be put in the base rate as the cost of fuel. That would make the base rate larger and the fuel adjustment would still be on the bill but it would be a very low amount. And we had also recommended that that be expressed as a unit per kilowatt hour rather than a dollar figure.

MAYOR COCKRELL: What I think what we need to do is to at least get together on some guidelines of what we want. I think we have to have first of all a guideline on the - whether we're going to have a uniform rate structure throughout the entire service area, or if we're going to have a differential. That would be the first point. The second point, well, let's take that first point first.

MR. HARTMAN: Yes, which is basically where we came in, I think.....

MAYOR COCKRELL: Right, let's see if we can settle that policy issue first.

MR. HARTMAN: Let me say this again, with regard to the alternative that was laid out on the 15 percent differential, contrary to what was indicated this was not a recommendation of the Committee, and it was not a recommendation of any one individual. It was an alternative that was laid out and as Dr. Cisneros indicated, I too, cannot in good conscience see where we can tag on a 15 percent differential. By the same token, I also have some difficulty to understand how people can tax us 2 percent, but that's a separate subject. But I also would not be in favor of 15 percent as an alternative.

MAYOR COCKRELL: All right, by general consensus, are we saying that we are in favor of a uniform rate structure to continue the same policy of the uniform rate structure. All right, then are we also in favor of pegging the price of gas in the base rate at approximately \$1.75 as has been recommended, therefore, the fuel adjustment portion would be lower.

DR. NIELSEN: How are you going to express it in terms of the, either energy equivalents or kilowatt usage or whatever. How.....

MR. SPRUCE: It would be our proposal, would provide that the bill rather than saying the fuel adjustment in dollars would say, the fuel adjustment for the month would be 0.003 cents per kilowatt hour. The person who wants to know how much it exceeded or was less than the fuel adjustment the fuel included in the base rate, would be taken into account in the total figure. You see, there would be a credit at which ever time we get the coal plants running. At least that's our hope and desire and intention that when there is a credit, that the fuel adjustment would be expressed as a credit and then that much would be deducted from the bill giving credit to the dollar figure.

DR. NIELSEN: On the.....(inaudible).

MR. SPRUCE: Yes, sir, on the electric and on the gas would be so much per MCF or CCF.

MAYOR COCKRELL: All right, if by general consensus we accept this as a policy direction that we would go with this \$1.75 pegged to the price of gas, I would also like to suggest one additional policy that would come as a separate resolution. And that is that we pledge not to accept the City's percentage of the new, the new over, over the base rate structure. In other words, the base rate would now be pegged at the \$1.75. We're a little bit over that now, but we would peg the base rate at \$1.75 gas price, and we would pledge that from now if there were escalation in the price of fuel that we would not increase the....

DR. NIELSEN: No, no, we wouldn't take.....

MAYOR COCKRELL: We wouldn't take, we wouldn't increase our take in terms of taking it on that portion that would then be the passthrough charge.

MR. BILLA: Mayor, you're doing the same thing I've requested that we.....

MAYOR COCKRELL: We've had similar suggestions before but we've never taken any action, but I think it would.....

MR. BILLA: I support that.

DR. NIELSEN: Would that be roughly 35, 37 million dollars a year? What would it be in terms of dollars?

MAYOR COCKRELL: Now, this would be, by taking the present rate, we're talking about - we would simply, once we have the new rate structure with the new base rate based on the \$1.75 that we would not take any fuel adjustment on the portion that would increase from then on.

REV. BLACK: Madam Mayor, here's what I would like to know though. That money that we do not take in terms of the passthrough, how can we identify it as benefit, see with the money that we take is at least transferred into services as far as the citizens are concerned. The money that we don't take how can we identify that money that we don't take in terms of benefits that goes to the citizens of this community. How can we....We ought to be able to identify it.

MAYOR COCKRELL: It's just a savings in not having.....As it is now, it just...we have been criticized because of the fact that our present policy is so open ended and that no matter how high the cost of fuel goes, we are still increasing our take from the City. But it will not be pegged at the \$1.75 figure.

DR. NIELSEN: There is still an inherent problem there than in terms of our budget being projected at roughly \$37 million at \$1.75, is not going to come anywhere near .....

MAYOR COCKRELL: Yes, I think it is.

CITY MANAGER GRANATA: We'll have about a 4 million shortfall, 38 short-fall.

DR. NIELSEN: That's got to be addressed.

MAYOR COCKRELL: All right, then, how did you project it, at what rate did you project it now? We're getting \$1.86 now, is that right?

CITY MANAGER GRANATA: Yes. Of course, we're getting 10.6 on top of that as I understood you to say that we pegged it at \$1.75 and get nothing on top of that?

MAYOR COCKRELL: Nothing on top.

CITY MANAGER GRANATA: Yes, that as I understand it would give us a, correct me if I am wrong.....

FROM THE AUDIENCE: Does that maintain the Council's past action of no pass through at all on gas?

MAYOR COCKRELL: No. No, I think it could not.

CITY MANAGER GRANATA: That's what I mean. And it would also could not contain the past action of the first 300 KWH.

MAYOR COCKRELL: Yes, right. Dr. Cisneros.

DR. CISNEROS: It is far too complicated for Council to be sitting here and doing it. What I would much prefer would be that we today establish some principles in what we want to do and then either have a different committee, a different committee from this one, you know, with you heading it or something, or just have the staff come back to a work session but that we establish principles today and then if it's going to take six months .....

MAYOR COCKRELL: All right. Well as a principle then, what we could say at least is that we want to put some limitations, draw some parameters and not have a totally open ended policy on the pass through. Well, it's not just in lieu of, in lieu of is only a small portion. It's the entire amount of City income from the utilities. We will agree to put some kind of parameters on it as the principle. Okay, and then we will refine it to exactly how we will state it and the most appropriate form for it will take. The first, will be uniform through the system. All right now then, if we accept those two concepts then what do we ..... in terms of the, yes, Mr. Hartman.

MR. HARTMAN: Then we have still got the area of consideration of extension policies. We are talking here about an area of 1.4 percent according to the calculations that CPSB made and I think that could be affected one way or another in this whole matter of extension policy and I think that is an area that needs to be defined. Are we interested in talking about further cutting back the extension?

DR. NIELSEN: Madam Mayor, let me just say that my position is that in terms of beginning to address some of the, if you want to call inequities or injustices, I think the best policy for us to take relative to that right now is CPS has already taken a first major step in that. I would hope that there is an agreement on the Council to begin for another step for next year, but for right now, stop where we are in terms of the changes

of the extension policies and then begin immediately approaching it for another year from now. It's just like the tax reevaluation or appraisal thing. If you make a massive jump, you get yourself in an awful lot of trouble. I don't just mean politically, you can get yourself in some legal problems.

MAYOR COCKRELL: Actually, we also have some people registered to speak on that issue, the next issue and so, yes. All right.

DR. CISNEROS: We could at least put on the principles that we are going to be discussing on the table.

MAYOR COCKRELL: All right. One of them will be any relationship between the extension policies and the rate structure. Okay.

MR. HARTMAN: Madam Mayor.

MAYOR COCKRELL: Yes, Mr. Hartman.

MR. HARTMAN: I would think that we would be in a position once these principles get delineated. I think that between the CPSB staff and the City staff who have been working with us right along, I don't think, what I am saying is that staff papers. We now have a staff paper that comes forth with the principles that we have run across and let's react to that. And that's what I would like to see next week.

MAYOR COCKRELL: All right. Now then let me just say this. If this is not acted on today, next week there has to be 6 votes. Now if there is not going to be 6 votes next week, I'd rather vote 5 votes today, if there is 5 votes today.

CITY MANAGER GRANATA: And next week, it will be an emergency clause too with the 6 votes.

MR. BILLA: We always get ourselves in a bind .....

MAYOR COCKRELL: Yes, Mr. Hartman.

MR. HARTMAN: I think in order to really vote intelligently still with the figures that CPS staff and the City staff have to be able to put together I think would be unrealistic to peg it at a 6.6 percent rate because that is not what we are really talking about. We are talking about 6.6 percent versus all these other impact areas and they would be significantly changed.

(SEVERAL COUNCIL MEMBERS SPEAKING)

MAYOR COCKRELL: All right, just a moment. One at a time. Dr. Nielsen.

DR. NIELSEN: Madam Mayor. If we and I am not sure how reading the recommendation exactly where he even came up with the 1.4 percent and what kind of extension policy changes you would have to do that. That's the only one area, Glen, of the three principles we laid out, that is the only one we are really talking about any hard dollars in terms of this present rate increase. The other two don't address, we have already said we aren't going to go in for a major differential .....

MAYOR COCKRELL: All right, if you would like to speak, Mr. Hartman.

MR. HARTMAN: The other area with regard to the pegging of the amount of pass through with the 1.75 will also have a revenue impact that needs to be established as to the level. So there will be some. I mean, it's not a whole lot, but there is some. So I think in order to be able to know what you are voting on, we are going to have to have specific figures because 6.6 is not a reasonable figure.

DR. NIELSEN: Mr., we just asked Mr. Spruce if there were any lower bottom figures and he says no.

MR. HARTMAN: But Mr. Spruce, and bear me out if I am correct, you were responding on the basis that there would be no other changes in these other areas we have discussed. You obviously were not talking in terms of these areas were being addressed.

MAYOR COCKRELL: All right, the only other areas would be what?

MR. HARTMAN: Extension policies and they would also deal with the matter of the pegging of the pass through or not pegging the pass through but in lieu portion. The extension policy is the only area where there is anything substantive I grant you.

MR. SPRUCE: Yes sir. What I understood the Mayor was saying was that the City would forego its percent on any increases in the pass through in the future. Was that what I understood, Mayor?

MAYOR COCKRELL: That's correct. In other words, we would limit .....

MR. SPRUCE: We wouldn't collect that without having any influence on .....

DR. NIELSEN: No, no, it doesn't affect the rates.

MR. SPRUCE: Well, the fuel pass through may increase and decrease and fluxuate and I would like to say we don't really anticipate that it is going to increase anything like it has in the last two years. In fact it is our ardent hope that it will reduce next year when we begin to burn coal. But what I thought the Mayor was saying was the City would peg its level of revenue - the 14 percent if you will and whatever it may be on any fuel adjustment in excess of what we would put in the base rate.

MAYOR COCKRELL: Yes, and our maximum take would be 14 percent or whatever.

MR. SPRUCE: Now, on the other thing on Councilman Hartman, on what I believe he is talking about on a 1.4 percent is that at the present time our extension policies produce approximately \$2 million plus a year. The change in the extension policies as proposed is going to increase that amount by about \$1.1 or \$1.2 million a year. Now we have said that the extension policy and the rate increase request are more or less interdependent. So if you take those two together and we say we expect to receive \$18.6 million for the rate increase and another \$1.1 or \$1.2 from the extension policy, I think that is the 1.4 percent that will be applicable to the change in the CPS earnings. Of course, all we are trying to do there is acknowledge that the extension policies are old and should have been revised before. We agree that they should be looked at more often than they have in the past. But what we were trying to do with them now is bring them up to date and just recover our true cost of construction to add the new customers while still giving credit as we always have to new customers that are added to the system.

MR. BELLA: Mayor, I move for adoption of the ordinance that you outlined.

DR. NIELSEN: I second the motion.

MAYOR COCKRELL: It has been moved and seconded that the ordinance be passed. Now, in its present form, it includes the position that the Council has taken on a uniform rate. It includes the base rate pegged in for gas supply at \$1.75 and a uniform or an integrated new base rate with \$1.75 gas cost. All right, the matter of the extension policies is a separate issue and will be resolved in separate ordinances. All right, in other

words, any affect, any possible decrease that might come from the next item, that could possibly affect it would be limited again to how much, Mr. Spruce, any change in the extension policies would be limited to how much affected on the .....

MR. BILLA: 1.4 percent.

MAYOR COCKRELL: 1.4?

MR. SPRUCE: Well it amounts to about 1.4 percent by bringing in (inaudible) of course, all of that is not involved in the refund. You know, that is for service extensions, meters, charges for the rock excavation and all. You really can't do a whole lot with that policy to make any massive change in the rate increase.

MR. HARTMAN: Right. My point is though, although there is not a lot of change if we are acting on a 6.6 percent figure, we are acting without reference to any of those items and I think that's where we are not in a position to act. We would be taking an erroneous act.

MAYOR COCKRELL: All right, does our staff have any further comments? Could we ask Mr. Granata? Would you like to ask your rate consultant staff here? He has the pained expression on his face that I would like to relieve.

CITY MANAGER GRANATA: Let me preference his remarks that by saying whatever you do, just keep one thing in mind. I think Councilman Black hit upon it. That whatever is cut we are going to have to make up some other way or cut services, or cut personnel.

DR. CISNEROS: That's the question I have. That is the 1.75 proposal that you discussed a moment ago. They indicated a \$4 million shortfall and that is not resolved.

MAYOR COCKRELL: It depends upon how it's figured .....

CITY MANAGER GRANATA: And, if we had gone to his 3 percent as suggested, it would have been a \$9 million shortfall for us which would be a 55¢ increase on the tax rate or cut services and people. Now, that's what we have got to weigh. Because we have already projected that in our current budget.

MAYOR COCKRELL: We could, in other words, the matter of the City's share could be handled in a separate, it is a separate item. Right.

MR. TOM IVY: It is a separate item and rides on top of this. We can ride it or not ride it - whatever you want to do. On the extension policy in the committee -- the committee, as I understood it, had agreed to the extension policy (inaudible) with the exception that you were questioning the \$112, \$115 or \$227 rebate per lot for gas and electric. If they build 4000 homes it's only about \$800,000. (Talking away from mike-inaudible.)

MAYOR COCKRELL: Mr. Ivy, would you talk into the mike, it's not getting on the record.

MR. IVY: You can make the change later on, but it won't affect the current rate, because they've already put all the changes that you and the committee wanted in the extension policy with the exception of the refund. That's the only thing left. Even if they have a good year in building and build 4000 homes, that's only \$800,000.

MR. HARTMAN: You see, when we're talking in terms of the refund which is \$112, \$115, that's the area that we're talking about as being substantive. That's the only area that's substantive.

MR. IVY: \$800,000. That's about all it is. That's in a good year or bad year. It's not 1.4.

MR. HARTMAN: The 1.4 .....

MR. IVY: You got that when remember when they cut down the extension. Yeah, that's in there ..... yes, sir.

MRS. GALLEGO: This is not justified. You do not have the figures. Our citizens are not here. We insist on you waiting until next week and have a delay on this in all fairness. You do not have a figure and it seems .....It's late now and all our citizens are not here.

MAYOR COCKRELL: It doesn't matter how many citizens are here, it's not going to change .....

MRS. GALLEGO: Well, I understand that, but there is no figure and it just doesn't seem .....

MAYOR COCKRELL: All right, fine, thank you, Mrs. Gallego. Now, then, we have still another person ..... yes, Mr. Galindo, please come to the microphone.

MR. MAYO GALINDO: I want to make one observation with the respect to the possible setting of a base rate at \$1.75. Might not that jeopardize the City's position in its pending suit in view of the fact that we're contractually entitled to receive this gas at 23¢ per MCF.

MAYOR COCKRELL: The attorneys have researched this and advised us that it is not. We've all asked that same question, sir.

CITY ATTORNEY JIM PARKER: Because we're actually, right now, under a rate from the Railroad Commission that set that rate that we're paying. We're suing on the breach of the contract not on the rate that is set by the Commission.

MAYOR COCKRELL: Thank you. Now, as I understand it, if this rate were passed at 6.6, only a very small percentage could possibly be affected by any change in policy and that could be done still, in action on the extension policy separately - a subsequent action.

REV. BLACK: If our action in this manner could be conditioned - you've indicated \$1.75 and we keep hearing back and forth that maybe this is going to lead to a shortfall, I wonder if .....

MAYOR COCKRELL: No, let me just correct it. The only mention of a shortfall was any subsequent action on drawing perimeters of the City's take.

CITY MANAGER GRANATA: That's correct.

MAYOR COCKRELL: As it stands now the City may at any time set its own parameters on what it would take, but this particular ordinance is irrespective of that. Dr. Cisneros.

DR. CISNEROS: Well, at some point Madam, we're going to have to .....

DR. NIELSEN: We're going to have to bite the bullet.

MAYOR COCKRELL: Yes, right.

DR. CISNEROS: When the Utilities Commission forces us to, and I suppose that they really won't because (inaudible).

MAYOR COCKRELL: Well, you had made the suggestion which I thought was a good one, that we have that considered further by a committee and I think we should do it. I would like to be sure that we have a report by next week on the issues of how we set the parameters. I think we've got to set some kind of limitations and say that beyond this point, we don't go.

DR. CISNEROS: What we're doing now, what this ordinance does really doesn't affect the bite on citizens ..... I think it's kind of a mechanical thing we're doing. On the one hand, we're pegging \$1.75, but the rules of the game aren't staying the same so that the bite on the citizens is coming in at the same amount.

DR. NIELSEN: Frankly, I don't follow that.

DR. CISNEROS: I need more time. I have to be honest with you. I want more time on that issue and the extension policy I guess is pretty clear. I think really it's really pretty clear.

DR. NIELSEN: We'll get to that in a moment.

MR. BILLA: I call for the question.

MAYOR COCKRELL: All right, I hate to push votes when we've got several members .....

MR. BILLA: Are you not satisfied?

MAYOR COCKRELL: I'm satisfied but several members have said they are not and I hate to .....

MR. BILLA: (Inaudible)

MAYOR COCKRELL: All right, Clerk will call the roll.

MR. PYNDUS: Absent.

MR. BILLA: Yes.

DR. CISNEROS: No, simply on the basis that I need additional time.

REV. BLACK: Yes.

MR. HARTMAN: No, on the basis that I'm not sure what figure we're voting on.

MR. ROHDE: No, to any rate increase to our citizens.

MR. TENIENTE: No.

DR. NIELSEN: Yes.

MAYOR COCKRELL: Yes.

CITY CLERK JACKSON: The motion fails.

MAYOR COCKRELL: All right, the motion fails. That means that this rate increase has been turned down. Is that what the Council wishes to stand?

MR. BILLA: This is a serious thing here.

MAYOR COCKRELL: I will have to say I agree with you, Mr. Billa.

MR. BILLA: Very serious thing here.

MAYOR COCKRELL: Mr. Rohde, can you explain why, do you wish to make any comment on your vote?

MR. ROHDE: Yes, I'll be in my office and I will be glad to talk to Council members or the press in five minutes.

MR. BILLA: I want to ask him if he understands the alternatives.

MR. ROHDE: You come to my office and I will be glad to go over it with you.

MAYOR COCKRELL: Okay, at this point, the utility rate has been denied. Yes, Mr. Teniente.

MR. TENIENTE: Mayor, this issue has been very complicated to me. It can get a little clearer if we had something that we can look at. Everybody is talking and the whole thing is shot at. I just cannot accept all those figures unless I see them. I have to be shown and have to be at least in front of me so that I can have them to study and look at it and work on that. As it has developed, it is just not all that clear. It's not a matter of me wanting to just capriciously take an attitude, although my vote for no is a protest vote for any kind of an increase. I recognize that there has to be a change and we have to have this increase. But I have to have this and if we can do this next week, I would .....

MAYOR COCKRELL: Let me recommend that as a matter of procedure that if there is anyone who would be willing to now move for reconsideration, we will then have a motion for postponement.

CITY ATTORNEY PARKER: It would have to be because you would have to have a public hearing. If you proceed with this with a final determination and later turn it down, you would have to have a complete notice of public hearing and everything else before you .....

MAYOR COCKRELL: We will now entertain a motion for reconsideration.

MR. BILLA: So move, Madam Mayor.

MAYOR COCKRELL: No, sir, you voted for it.

DR. CISNEROS: I would move for reconsideration.

MAYOR COCKRELL: Dr. Cisneros and do we have a second?

MR. HARTMAN: I second it.

MAYOR COCKRELL: It has been moved and seconded that we ask for reconsideration of the vote by which the rate request was denied.

On roll call the motion to reconsider carried by the following vote: AYES: Billa, Cisneros, Black, Hartman, Teniente, Nielsen, Cockrell; NAYS: Rohde; ABSENT: Pyndus.

MAYOR COCKRELL: The motion is carried. All right, we will now entertain the motion for postponement.

DR. NIELSEN: I move for postponement for next Thursday, Madam Mayor.

MAYOR COCKRELL: All right, there is a motion to set it for next Thursday. Is there a second to the motion?

MR. BILLA: I second it.

MAYOR COCKRELL: It has been moved and seconded. Is there any further discussion?

On roll call the motion to postpone this item carried by the following vote: AYES: Billa, Cisneros, Black, Hartman, Teniente, Nielsen, Cockrell; NAYS: Rohde; ABSENT: Pyndus.

MAYOR COCKRELL: The motion carried.

MR. BILLA: I would like to move that Item X be postponed until next week too.

MAYOR COCKRELL: All right, we have a motion for Item X to be postponed. Is there a second to the motion?

MR. HARTMAN: I second it.

MAYOR COCKRELL: It has been moved and seconded for Item X to be postponed until next week. Any further discussion? Those in favor say aye, any opposed no. The motion is carried. The Chair will appoint a new committee to consider Item IX and X and make a report to the committee next week.

DR. NIELSEN: A year ago I reminded this Council when we got into this cost of service principle I said it was a difficult problem, how very complicated gas and electric utility rate setting is and I had no idea that we would prove our limitations as far as the Council being able to deal with this particular problem. We've had a clear recommendation from Mr. Kubik. All of this stuff has come up at the last minute, relative to Mr. Kubik or anyone else has not clarified anything. I think we have got a problem to accept basic recommendations and if the staff can clarify anything more, that's great. But I don't know that a committee or anybody else is going to be able to resolve any of this.

MAYOR COCKRELL: All right, at least the committee can look at this City's posture on setting some kind of parameters on the take from the .....

76-38

CITY-COUNTY JOINT BUILDING COMMITTEE

Mayor Cockrell said that the City-County Committee to study the matter of an office building is being reactivated. Centro 21 has requested that a member of that committee be included in the joint committee. She said that both the City and County have named their limit of members so she wished to name Mr. Alex Caragone from Centro 21 to be an ex-officio member.

Council members concurred with Mayor Cockrell's suggestion.

76-38

MILAM PARK

Dr. Cisneros said that each Councilman had received a letter from Mrs. Barbara Banker, Chairman of the Urban Renewal Agency, with regard to changes being made in Milam Park. He asked if the Council wished to take any action.

Mayor Cockrell asked any Council member who had any recommendation regarding Milam Park to give them to her within the next week.

76-38

E.O.D.C.

Mr. Teniente said that there is a vacancy on E.O.D.C. which is his appointee.

City Manager Granata said that the entire board's tenure has expired. An ordinance will be on next week's agenda appointing the full board.

76-38

CITIZENS TO BE HEARD

There were no citizens registered to be heard this week.

76-38

The Clerk read the following letter:

August 13, 1976

Honorable Mayor and Members of the City Council  
City of San Antonio, Texas

Madam and Gentlemen:

The following petitions were received in my office and forwarded to the City Manager for investigation and report to the City Council.

July 29, 1976

Recommendation to the City Council of San Antonio for establishing a City-wide curb cut program submitted by Mr. Gary Turnock, Chairman, Handicapped Access Task Force.

August 10, 1976

Petition submitted by Mr. John F. Wandless, 334 Thorain, and signed by other residents in that area, requesting the City to take action on filling in low places on Thorain Blvd.

/s/ G. V. JACKSON, Jr.  
City Clerk

\* \* \* \*

August 19, 1976  
el

-60-

76-38 There being no further business to come before the Council,  
the meeting was adjourned at 6:20 P. M.

A P P R O V E D

*Lila Cockell*

M A Y O R

ATTEST:

*G. V. Johnson*  
C i t y C l e r k

August 19, 1976  
el

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